



333
02/24

THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: February 20, 2009

IBA Report Number: 09-09

City Council Docket Date: February 24, 2009

Item Number: 333

FY 2010 Community Development Block Grant & Emergency Shelter Grant Programs Funding Appropriations

OVERVIEW

On Tuesday, February 24, 2009 the City Council will consider the Fiscal Year 2010 Community Development Block Grant (CDBG) and Emergency Shelter Grant (ESG) Programs funding appropriations. The actions requested of the City Council are part of the annual process to appropriate CDBG funds which are received from the U.S. Department of Housing and Urban Development (HUD). The City of San Diego's anticipated CDBG allocation for Fiscal Year 2010 is \$13,366,448. This represents a reduction of (\$1,486,071) from Fiscal Year 2009.

The allocation of the City of San Diego's CDBG funds is governed by a formula outlined in City Council Policy 700-02 (See Attachment I). The formula apportions 60% of the annual CDBG entitlement to City Council Districts, and 40% to the Citywide Category. For the Citywide category the Mayor makes recommendations for how these funds should be distributed. The amount of funds allocated to each City Council District is based on the percentage of low and moderate income residents in each district.

Over the last two fiscal years the City of San Diego has been audited by the U.S. Department of Housing and Urban Development (HUD) Regional Office as well as HUD's Inspector General. A significant concern for both HUD's Regional Office and the Inspector General is the City's capacity to manage its CDBG Program including record keeping, administrative systems, and staffing levels. To start to address HUD's concerns, in January 2008 the City Council approved changes to City Council Policy 700-02. Examples of the changes approved included the establishment of a minimum allocation amount of \$25,000 to grantees, implementation of a Community Based Development Organization (CBDO) certification process, and establishing a three year period for grantees to expend funds. In addition to the City Council Policy changes, City staff has hired a HUD certified consulting firm (ICF Consulting) to develop a

Office of Independent Budget Analyst

202 C Street, MS 3A • San Diego, CA 92101
Tel (619) 236-6555 Fax (619) 236-6556



DIVERSITY
MAKING US ALL TOGETHER

Management Plan, Monitoring Plan, Fair Housing Plan, Environmental Review Policies and Procedures, Operating Manual for the CDBG Program, and the Citizen Participation Plan. The consultant will also make recommendations on the sufficient level of staffing required to provide oversight of the City's CDBG program.

For the Fiscal Year 2010 CDBG allocation, a significant challenge facing the Mayor and City Council is how to balance the need to address HUD's concerns while not substantially impacting the funds available for social services and economic development. This is particularly important considering the current economic climate where the services funded by CDBG are desperately needed.

The purpose of this report is to provide a review of staff's proposal for allocating the Fiscal Year 2010 CDBG funds as well as an alternative proposed by Council President Hueso. We also provide additional information to augment the information provided in staff's February 13, 2009 report (Report # 09-009) to the City Council.

FISCAL/POLICY DISCUSSION

Mayor's Proposed Fiscal Year 2010 CDBG Allocation

Attachment II to this report outlines the differences in CDBG allocations from what was approved in Fiscal Year 2009 to the Mayor's Fiscal Year 2010 proposal. Significant changes include:

- An overall reduction of (\$1,486,071) from Fiscal Year 2009. Based on the 60/40% split, the City Council's overall allocation has been reduced by (\$891,642) to \$8,019,869 and Citywide (Mayor) by (\$594,429) to \$5,346,579.
- Costs associated with Administration of the program have increased by \$648,289. More information on the justification for the increase and the method used for the distribution of the administration expenses is discussed below.
- \$245,643 of the total \$1,277,477 for the San Diego Housing Commission has been charged to the City Council's 60% allocation. Previously, the total San Diego Housing Commission's allocation was funded from the Citywide (Mayor) 40% allocation.
- With the reduction to CDBG funding; increased costs for administration; City Council assuming expenses related to the San Diego Housing Commission; and increased expenses related to Section 108 Loans; the City Council's available funding for grantees has decreased by (\$2,081,638) from \$5,032,246 in Fiscal Year 2009 to \$2,950,608 in Fiscal Year 2010.

Mayor's Allocation Proposal for CDBG Administration

In light of the concerns raised by HUD regarding the City's oversight of the CDBG program, the Mayor's allocation proposal includes a significant increase for Administration. In staff's February 13, 2009 Report to the City Council, they identify CDBG Administration as consisting of the categories of General Administration and

Project Management (Grants Compliance Unit). However, in the chart below the IBA has also included the categories of Fair Housing, Response to HUD Audits, and Project Management (Engineering) as part of Administration. Each of these categories fund some form of oversight of the City's CDBG program. As detailed below, the Mayor's proposed CDBG allocations for Fiscal Year 2010 include \$2,673,289 for Administration, a \$648,289 increase from Fiscal Year 2009.

CDBG Administration Funding Fiscal Year Comparison

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Total CDBG Amount	\$15,506,862	\$15,424,594	\$14,852,521	\$13,366,448
General Administration	\$1,360,000	\$1,150,000	\$770,000	\$1,057,660
Project Management (Grants Compliance Unit)	\$0	\$0	\$480,000	\$451,308
Fair Housing	\$0	\$0	\$125,000	\$314,321
Response to HUD Audits	\$0	\$0	\$200,000	\$400,000
Project Management (Engineering)	\$350,000	\$450,000	\$450,000	\$450,000
Total Administration:	\$1,710,000	\$1,600,000	\$2,025,000	\$2,673,289
Increase/Decrease from Previous Fiscal Year:		(\$110,000)	\$425,000	\$648,289

General Administration & Project Management (Grants Compliance Unit)

These two funding categories represent the staff costs for the general oversight of the CDBG program, ESG Program, HOME Program, and HOPWA Program. In addition, staff is also responsible for the oversight of the sub-recipient contract agreements with non-profit agencies. Some of these duties include contract negotiation, monitoring (including site visits), and technical assistance. The following chart details the positions that are funded by these two categories:

Current Staffing of the CDBG Administration

FTE	Positions	Salary and Fringe
	Accountant III	1.00
	Administrative Aide II	1.00
	Associate Management Analyst	1.00
	Clerical Assistant II	0.40
	Community Development Coordinator	1.00
	Community Development Specialist II	4.00
	Community Development Specialist IV	1.50
	Deputy Director	0.50
	Housing & Homeless Services Coordinator	0.20
	Senior Management Analyst	2.00
	Word Processing Operator	1.00
	Total:	13.60
		\$1,354,612

The current staffing level of 13.60 positions is a significant increase from the Fiscal Year 2008 staffing level of 8.50 positions and is consistent with the Mayor's focus on improving oversight of the CDBG program. In addition to the 13.60 positions currently funded, the CDBG administration anticipates adding two additional positions in Fiscal Year 2010. However, a decision to propose adding positions is dependent on results of the consultant's staffing recommendations. The following table details the staffing levels for CDBG Administration over the last three fiscal years and proposed for 2010:

Historical Staffing of CDBG Administration				
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2007	2008	2009	2010*
Staffing Total	9.50	8.50	13.60	15.60

*Staffing for FY 2010 is dependent upon recommendations from the consultant hired by CDBG Administration

The total proposed funding for General Administration and Project Management (Grants Compliance Unit) totals \$1,508,968. Of this amount, the City Council's funding obligation for these two categories is \$905,381 (60%). The \$905,381 funding obligation has been distributed among the eight City Council Districts and is based on the number of low/moderate (low/mod) income individuals in each district when compared to the low/mod income population of the entire City. Administration costs have been allocated to the Council Districts using the same formula. For example, Council District Three will receive 19.1% of the total City Council CDBG allocation for Fiscal Year 2010. Therefore, Council District Three is obligated to fund 19.1% of the costs associated with General Administration and Project Management (Grants Compliance Unit). In theory, Districts with higher CDBG allocations are able to grant more funds to community organizations requiring additional CDBG Administration oversight when compared to districts with less CDBG funds. This is consistent with the allocation method used in past fiscal years for General Administration and more recently for the Project Management (Grants Compliance Unit).

Fair Housing

In addition to HUD's concerns with the City's oversight of the CDBG program, they also expressed a concern with the lack of emphasis on Fair Housing. To address these concerns, in Fiscal Year 2009, CDBG funding was identified and included in the new category of Fair Housing. The Mayor's proposed funding allocation for the Fair Housing category for Fiscal Year 2010 is \$314,321 and, if approved, will be split between three applicants (Bayside Community Center, Center for Social Advocacy, and Fair Housing Council of San Diego). Of the \$314,321 in total proposed funding for Fair Housing, the Mayor is proposing that the City Council's funding obligation is \$279,396 (89%) and that it be distributed evenly among the eight districts and Citywide (Mayor) allocation. Staff has indicated that they used this allocation method, as opposed to one based on low/mod population, as they believe this program impacts all Council Districts equally. This allocation method is consistent with what was used in Fiscal Year 2009.

Response to HUD Audits

To address HUD's multiple concerns with the City's CDBG program, the Mayor's proposed Fiscal Year 2010 funding allocation for the Response to HUD Audits is \$400,000. Staff has indicated that these funds are for expenses above and beyond those related to the general administration of the program. Examples of these expenses include the hiring of temporary staff and updating of the City's CDBG website. ***The IBA recommends that the City Council be provided additional information on how the funds from Fiscal Year 2009 have been used and the proposal for Fiscal Year 2010.***

Of the \$400,000 in total proposed funding for Response to HUD Audits, the Mayor is proposing that the City Council's funding obligation be \$355,556 (89%) and that it be distributed evenly among the eight Council Districts and Citywide (Mayor) allocation. Staff has indicated that they used this allocation method, as opposed to one based on low/mod population, because this is a program that impacts all Council Districts equally. This allocation method is consistent with what was used in Fiscal Year 2009.

Project Management (Engineering)

The CDBG Section of the Engineering and Capital Projects (E&CP) Department is currently managing 63 active CDBG private agency contracts and 19 inactive projects. The Fiscal Year 2009 Annual Budget includes a total of \$7,254,047 in prior and current year CDBG funds available for project construction. For Fiscal Year 2010, the Mayor is proposing \$450,000 for Project Management (Engineering). If approved, E&CP anticipates using \$156,568 for Administration and \$293,432 for Project/Construction Management and Deliverables. This includes personnel costs related to 1.00 Associate Management Analyst, and 3.00 Engineers. It should be noted that E&CP is budgeted in the City's General Fund, but is 95% reimbursable from funds other than the General Fund. If the E&CP were to lose CDBG funding, another source of funding would need to be identified to provide the services necessary for the management of the private agency projects.

Of the \$450,000 in anticipated funding for Project Management (Engineering), the Mayor is proposing that the City Council fund the total amount (100%) using the low/mod funding allocation used for Grant Administration. Staff has indicated that the reason that the 60/40% overall allocation method is not used is due to the fact that the Mayor does not currently have CDBG funded "brick and mortar" projects. This Allocation method is consistent with what has been used in the past. The IBA would like to point out that in many cases the benefit of a project is not just the residents of a specific district but all the citizens of San Diego.

Council President Hueso's Alternative Proposal for the allocation of Fiscal Year 2010 CDBG Funds

In his February 17, 2009 Memorandum to Beth Murray, Deputy Director of Economic Development, Council President Hueso suggests an alternative allocation proposal for Fiscal Year 2010. His alternative allocation proposal contains the following significant changes from the one proposed by the Mayor:

- 60/40% split for Fair Housing, Response to HUD Audit, and Project Management (Engineering), as opposed to an equal split between the Council Districts and Citywide.
- Merge the Project Management (Grants Compliance Unit) and Project Management (Engineering) into one category for a total funding amount of \$450,000.
- Make the City Council portion of the San Diego Housing Commission's (SDHC) allocation discretionary. If all Council Districts elected to not fund their proposed share, SDHC would receive a (\$245,643) reduction to their overall proposed allocation of \$1,277,478.

Attachment III to this report compares the Mayor's allocation proposal to Council President Hueso's. If Council President Hueso's proposal was approved, an additional \$657,144 would be available to the City Council offices for distribution. It is assumed that these funds would be distributed to the various Council Districts using the low/mod allocation method. However, if approved, overall funds for CDBG Administration would be reduced by (\$451,308). In addition, \$386,359 would need to be reallocated or reduced from other areas to meet the deficit created in the Citywide (40%) portion of the allocation. This could have serious impacts to the proposed programs to be funded by the Citywide portion. Additionally, a reduction to the SDHC's allocation could result in impacts to the agency's ability to provide services to the San Diego community.

San Diego Housing Commission (SDHC) Allocation

The Mayor's proposed Fiscal Year 2010 CDBG Allocation includes \$1,277,478 for the San Diego Housing Commission, the same funding level as Fiscal Year 2009. In a departure from previous years, the City Council is being asked to fund \$245,643 of the \$1,277,478. The \$245,643 has been distributed across the City Council Districts using the low/mod allocation formula. Staff has indicated that they elected to have the Council Districts assume some of the funding for SDHC to keep the agency at the same level as Fiscal Year 2009. Due to the 10% reduction to the Citywide portion (40%), funding was required from the City Council District's (60%) allocation to keep the agency at a Fiscal Year 2009 funding level.

The San Diego Housing Commission staff has indicated that if approved, the allocation of CDBG funds will be used for the Acquisition of Affordable Housing program and "brick and mortar" projects. This would be a departure from previous years. In the past, CDBG funding has been used for administrative costs. However, HUD has indicated to

the City that they would like to see more funding earmarked for projects as opposed to administration costs. Housing Commission staff has stated that the Commission will cover administrative costs from its own agency budget; however the subsequent impact of this shift in funding has not been determined at this present time. In addition, the specific projects to be funded using CDBG are not known at this time.

Winter Shelter Program

For Fiscal Year 2010, the Mayor is proposing to fund the Winter Shelter program at the same level as in Fiscal Year 2009. The \$680,000 in proposed funding would come from the following funding sources:

- \$195,000 in Emergency Shelter Grant funds
- \$105,000 in CDBG funds
- \$380,000 from SDHC's Fiscal Year 2010 budget. This is contingent upon final adoption of the SDHC FY 2010 Annual Budget, which must be approved by the Housing Authority.

One note of caution concerning the SDHC's Fiscal Year 2010 budget, with the loss of CDBG funds for administration and the \$380,000 required for the Winter Shelter, staff has indicated that they might need to use reserves to fund program requirements.

Americans with Disabilities Act (ADA) Allocation

The Mayor's proposed Fiscal Year 2010 CDBG Allocation for ADA includes \$1,069,316. Based on the information provided, it is unclear what specific projects would be addressed with the proposed funding. ***The IBA recommends that the City Council be provided with specific project detail for the proposed funding allocation. Additionally, we recommend that the City Council be provided with a breakdown between estimated project implementation costs and related City staff administration costs.***

Impacts to the City's General Fund

In many cases CDBG funded activities are budgeted in the City's General Fund. Based on the Mayor's proposed Fiscal Year 2010 funding allocations, many General Fund programs could lose funding. The following table details the major activities proposed to be funded by CDBG and a comparison between the amounts included in the Fiscal Year 2009 Annual Budget:

General Fund Programs Funded by CDBG*

Department	Program	Fiscal Year		Difference
		Fiscal Year 2009	2010	
City Planning & Community Investment	Cortez Hill Family Center	\$0	\$243,568	\$243,568
City Planning & Community Investment	Homeless Emergency Winter Shelter	\$82,109	\$105,000	\$22,891
City Planning & Community Investment	Neil Good Day Center	\$438,841	\$438,841	\$0
Park & Recreation	Power Beach Wheelchair Program	\$25,000	\$25,000	\$0
Park & Recreation	Senior Citizens Services	\$180,416	\$136,197	(\$44,219)
Park & Recreation	Therapeutic Recreation Services	\$469,188	\$354,175	(\$115,013)
Administration - EOC	Mentor Protégé Program	\$27,500	\$7,500	(\$20,000)
Environmental Services	Lead Safe Neighborhoods Program	\$102,500	\$39,000	(\$63,500)
DSD - Neighborhood Code Compliance	Proactive Enforcement - Council Districts 3, 4, 6, 7, 8	\$555,604	\$175,000	(\$380,604)
Total:		\$1,881,158	\$1,524,281	(\$356,877)

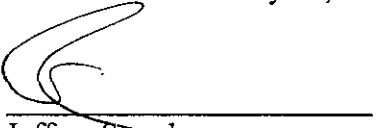
* Excludes CDBG Administration

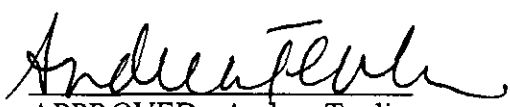
If the Mayor's CDBG allocation proposal is approved, other funding sources would need to be identified during the Fiscal Year 2010 Budget process to close the deficit created in these departments. One option for the Council to consider is if additional CDBG funds are received by the City in the future then these programs would take priority for the additional CDBG funds.

CONCLUSION

A significant challenge facing the Mayor and City Council is how to balance the need to address HUD's concerns while not substantially impacting the funds available for social services and economic development. This is particularly significant considering the current economic climate where the services funded by CDBG are desperately needed.

The purpose of this report was to provide a review of staff's proposal for allocating the Fiscal Year 2010 CDBG funds as well as an alternative proposed by Council President Hueso. We also provided additional information that we feel augments that provided by staff in their February 13, 2009 report to the City Council.


 Jeffrey Sturak
 Fiscal & Policy Analyst


 APPROVED: Andrea Tevlin
 Independent Budget Analyst

Attachments

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY**CURRENT**

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)
POLICY NO.: 700-02
EFFECTIVE DATE: February 11, 2008

BACKGROUND:

The Housing and Community Development Act of 1974 established the Community Development Block Grant Program. The enabling legislation has been reviewed and amended by Congress every three years since 1974. The purpose of the CDBG program is to provide an annual source of funds to local governments for the purpose of implementing activities to develop viable urban communities, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Federal administration of the program is the responsibility of the U.S. Department of Housing and Urban Development. The City of San Diego has participated in the program since its inception.

PURPOSE:

To establish the general guidelines by which the City will select and implement activities utilizing Community Development Block Grant funds.

POLICY:

It is the policy of the City Council to allocate Community Development Block Grant funds in accordance with the following standards.

1. Selection and implementation of program activities that meet the Congressional intent of the program and the specific eligibility requirements as outlined by the U.S. Department of Housing and Urban Development.
2. Priorities of the Capital Improvements Program will be developed irrespective of whether or not the City is to receive Community Development Block Grant funds. Community Development Block Grant funds if received are to be used to supplement the City's Capital Improvements Program and not as a substitute for other City funds.
3. Funding will be allocated on a Fiscal Year basis (July 1 through June 30).
4. Allocation of Community Development Block Grant entitlement funds will be on an formulated basis, with 60% of the annual entitlement going to individual Council Districts and 40% allocated on a City-Wide basis. The percentage of funds each Council District will receive is based upon the number of low/mod individuals in each Council Districts when compared to the low/mod income population of the entire City. Data from the most recent census will be used to determine the percentage each Council District will receive.

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

5. Allocate 15% of each year's Community Development Block Grant entitlement funds to be expended for social services as defined in the applicable U.S. Department of Housing and Urban Development regulations.

6. A target of 20% of the annual Community Development Block Grant entitlement to be used for affordable housing purposes is hereby established. In addition, 100% of the housing loan repayments are pledged to the Housing Trust Fund for affordable housing purposes.

The targeted goal of 20% for affordable housing purposes can be specified projects and/or made available to the Housing Trust Fund at the discretion of the City Council.

7. No allocation of CDBG funds will be made to a project for which a CDBG application has not been received by the City.
8. No allocation of CDBG funds will be made to a project of less than \$25,000, unless funding at a lesser amount is necessary to complete a project. (It is the intent of the City Council that this policy serve to reduce the total number of CDBG-funded contracts annually.)
9. A Community Based Development Organization (CBDO) certification process will be conducted in an effort to fund eligible project activities, as defined in the applicable U.S. Department of Housing and Urban Development regulations.
10. No allocation of CDBG funds will be made to a subrecipient project in the category of "Planning," except for those subrecipients certified by the City as a Community Based Development Organization.
11. All CDBG applicants shall attend mandatory workshops hosted by City staff during the annual CDBG application period.
12. All CDBG funds allocated to projects shall be used within three years of the date of the allocation, or such funds will be subject to reprogramming by the City Council.

HISTORY:

"Leasing of City-owned Property in Industrial Park"

Adopted by Resolution R-174133 - 01/10/1963

Repealed by Resolution R-208090 - 06/05/1973

"Community Development Block Grant Program (CDBG)"

Adopted by Resolution R-259072 - 08/15/1983

Amended by Resolution R-281638 - 03/22/1993

Amended by Resolution R-282395 - 07/26/1993

Amended by Resolution R-287559 - 06/25/1996

Amended by Resolution R-303367 - 02/11/2008

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
Difference Between Fiscal Years 2009 & 2010

Budget Allocation by Mayor and Council Districts	City Council Allocation FY 2009	City Council Allocation FY 2010	Difference	Citywide (Mayor) Allocations FY 2009	Citywide (Mayor) Allocations FY 2010	Difference
Percent Allocated	60.0%	60.0%		40.0%	40.0%	
Total Available for Funding	\$8,911,512	\$8,019,869	(\$891,643)	\$5,941,008	\$5,346,579	(\$594,429)
Funding Obligations						
CDBG Administration Breakdown:						
-General Administration	\$462,000	\$634,596	\$172,596	\$308,000	\$423,064	\$115,064
-Fair Housing	\$111,111	\$279,396	\$168,285	\$13,889	\$34,925	\$21,036
-Response to HUD Audits	\$177,778	\$355,556	\$177,778	\$22,222	\$44,444	\$22,222
-Project Management (Grants Compliance Unit)	\$288,000	\$270,785	(\$17,215)	\$192,000	\$180,523	(\$11,477)
-Project Management (Engineering)	\$450,000	\$450,000	\$0	\$0	\$0	\$0
Section 108 Loan Payments	\$2,390,377	\$2,833,285	\$442,908	\$803,000	\$557,505	(\$245,495)
Public Services (15% of Entitlement)	\$0	\$0	\$0	\$2,227,878	\$2,004,967	(\$222,911)
San Diego Housing Commission	\$0	\$245,643	\$245,643	\$1,277,478	\$1,031,835	(\$245,643)
ADA (20% of Citywide)	\$0	\$0	\$0	\$1,080,979	\$1,069,316	(\$11,663)
Subtotal of Funding Obligations:	\$3,879,266	\$5,069,261	\$1,189,995	\$5,925,446	\$5,346,579	(\$578,867)
Net Balance (Available for City Council allocation)	\$5,032,246	\$2,950,608	(\$2,081,638)	\$15,562	\$0	\$15,562

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
Difference Between Mayor's Proposal and Council President Hueso's

Budget Allocation by Mayor and Council Districts	City Council Allocation FY 2010 (Mayor)	City Council Allocation FY 2010 (Hueso Proposal)	Difference	Citywide Allocations FY 2010 (Mayor Proposal)	Citywide Allocations FY 2010 (Hueso Proposal)	Difference
Percent Allocated	60.0%	60.0%		40.0%	40.0%	
Total Available for Funding	\$8,019,869	\$8,019,869	\$0	\$5,346,579	\$5,346,579	\$0
Funding Obligations:						
CDBG Administration Breakdown:						
-General Administration	\$634,596	\$634,596	\$0	\$423,064	\$423,064	\$0
-Fair Housing	\$279,396	\$188,593	(\$90,803)	\$34,925	\$125,728	\$90,803
-Response to HUD Audits	\$355,556	\$240,000	(\$115,556)	\$44,444	\$160,000	\$115,556
-Project Management (Grants Compliance Unit)*	\$270,785	\$0	(\$270,785)	\$180,523	\$0	(\$180,523)
-Project Management (Engineering)	\$450,000	\$270,000	(\$180,000)	\$0	\$180,000	\$180,000
Section 108 Loan Payments	\$2,833,285	\$2,833,285	\$0	\$557,505	\$557,505	\$0
Public Services (15% of Entitlement)	\$0	\$0	\$0	\$2,004,967	\$2,004,967	\$0
San Diego Housing Commission**	\$245,643	\$245,643	\$0	\$1,031,835	\$1,031,835	\$0
ADA (20% of Citywide)	\$0	\$0	\$0	\$1,069,316	\$1,069,316	\$0
Subtotal of Funding Obligations	\$5,069,261	\$4,412,117	(\$657,144)	\$5,346,579	\$5,552,415	\$205,836
Net Balance (Available for City Council allocation)	\$2,950,608	\$3,607,751	\$657,144	\$0	(\$205,836)	(\$205,836)

*Proposal suggests combining Project Management (Grant Compliance Unit) with Project Management (Engineering) for a total amount of \$450,000.

**Under the proposal, funding by the Council Districts for the San Diego Housing Commission would be optional.



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: January 30, 2009

TO: Beth Murray, Deputy Director
Economic Development DivisionFROM: Jay Goldstone, Chief Operating Officer
Office of the Mayor

SUBJECT: **FY 2010 Community Development Block Grant (CDBG) Entitlement
Allocation Recommendations****FY 2010 CDBG Entitlement Recommendations**

<u>Application Number</u>	<u>Agency Name</u>	<u>Project Name</u>	<u>Recommended Amount</u>
6	Barrio Station	Barrio Youth Program	\$232,250.00
9	Being Alive San Diego	HIV Information & Education	\$52,675.00
7	Bayside Community Center	Fair Housing Project	\$11,641.52
20	Casa Familiar, Inc.	Casa Familiar Family Services Center	\$51,004.00
22	Center for Social Advocacy	Fair Housing	\$11,641.52
26	City of San Diego Disability Services	ADA Architectural Barrier Removal	\$1,069,315.85
27	City of San Diego Economic Development	CDBG Program Administration	\$648,031.88
28	City of San Diego Economic Development	Cortez Hill Family Center	\$243,568.00
29	City of San Diego Economic Development	Homeless Emergency Winter Shelter Program	\$105,000.00
30	City of San Diego Economic Development	Neil Good Day Center	\$438,841.00
38	City of San Diego Park & Recreation	Power Beach Wheelchair Program	\$25,000.00

000196

<u>Application Number</u>	<u>Agency Name</u>	<u>Project Name</u>	<u>Recommended Amount</u>
39	City of San Diego Park & Recreation	Senior Citizens Services	\$136,197.22
40	City of San Diego Park & Recreation	Therapeutic Recreation Services	\$354,175.00
43	County of San Diego Aging & Independence Services	Senior Nutrition Services	\$147,567.00
44	County of San Diego HHSA CAP-Ecumenical Council of San Diego	Interfaith Shelter Network Rotational Shelter Program	\$25,000.00
47	Fair Housing Council of San Diego	Fair Housing Project	\$11,641.52
55	Legal Aid Society of San Diego	Legal Aid Community Response Team	\$65,030.00
73	San Diego County SER/Jobs for Progress, Inc.	Pacific Beach Employment Center	\$60,944.00
74	San Diego County Superintendent of Schools, Juvenile Court and Community Schools	Youth Leadership and Work Academy	\$33,858.00
79	San Diego Housing Commission	Acquisition of Affordable Housing	\$1,031,834.73
89	Social Advocacy for Youth, San Diego Inc. (SAY)	San Diego Teen Court	\$33,858.00
N/A	Section 108 Loan Payments	Barrio Logan Mercado	\$310,044.50
N/A	Section 108 Loan Payments	SEDC (3 Projects)	\$11,999.50
N/A	Section 108 Loan Payments	Cortez Hill Transitional Housing	\$235,461.00
GRAND TOTAL			\$5,346,579.24

000197



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: January 30, 2009

TO: Beth Murray, Deputy Director
Economic Development Division

FROM: Jay Goldstone, Chief Operating Officer
Office of the Mayor

A handwritten signature in black ink, appearing to read "Jay Goldstone".

SUBJECT: **FY 2010 Emergency Shelter Grant (ESG) Entitlement Allocation
Recommendations**

FY 2010 ESG Entitlement Recommendations

<u>Application Number</u>	<u>Agency Name</u>	<u>Project Name</u>	<u>Recommended Amount</u>
28	City of San Diego Economic Development	Cortez Hill Family Center	\$403,129.00
29	City of San Diego Economic Development	Homeless Emergency Winter Shelter Program	\$195,000.00
GRAND TOTAL			\$598,129.00



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: January 30, 2009

TO: Beth Murray, Deputy Director, Economic Development

FROM: Councilmember Sherri S. Lightner, District One

SUBJECT: Amended FY 2010 Community Development Block Grant (CDBG) Entitlement Allocation Recommendations

Please see Council District One's amended proposed CDBG funding for fiscal year 2010 below.

<u>App #</u>	<u>Agency</u>	<u>Project Name</u>	<u>Amount</u>
2	ACCION San Diego	Microlending Prog	15,000.00
3	Alliance for African Assistance	Comm. Ec Dev. Microenterprise	10,000.00
4	Alliance for African Assistance	Crossroads Redev. Dist. Bldg Rehab	3,000.00
5	Aquatic Adventures	Prop. Acquisition for "Living Lab"	5,000.00
10	Big Sister League of SD	McAfee Residence Renovation Proj.	4,000.00
11	Big Sister League of SD	Woods Home Renovation Project	4,000.00
16	Burn Institute	Senior Fire and Burn Prevention Pr.	5,000.00
18	Camp HOPE	Camp HOPE cabin	10,000.00
25	City- Bus. Administration	Mentor Protégé Program	7,500.00
31	City - Env. Services	Lead Safe Neighborhoods Program	4,000.00
42	Community Housing Works	Home Ownership Center	4,000.00
50	Family Health Centers of SD	Teen Health Center Renovation Proj.	2,000.00
53	Home Start, Inc.	Home Start Transitional Maternity Grp.	15,000.00
	Local Initiative Support		
57	Corporation	Sustainable Communities	2,000.00
		Installation of Elevator for ADA	
63	NTC Foundation	Compliance	1,000.00
69	Rebuilding Together San Diego	Program Funds	12,500.00
70	San Diego Automotive Museum	HUD/ADA Compliant Elevator Install.	3,000.00
71	San Diego Center for Children	Main Campus Facilities Improvements	2,000.00
77	SD Home Loan Couns.&Ed.	Project Home	1,000.00
78	SD Home Loan Couns.&Ed.	Small Business Dev. & Training	1,700.00
80	SD Labor Council	Safe and Accessible Sidewalks	15,000.00
81	SD Labor Council	Safe Homes Project	15,000.00
82	San Diego Rescue Mission	Installation of new HVAC system	10,320.00

000200

83	San Diego 2nd Chance Program	2nd Chance Community Resource Ctr	2,500.00
88	Senior Community Centers	West Senior Wellness Ctr. Seismic	2,500.00
91	St. Paul's Senior Homes	New roof	2,000.00
92	Stepping Stone of SD	Enya House Rehabilitation Program	2,000.00
93	Stepping Stone of SD	Sober Living Acquisition Program	1,000.00
94	SVDP Mgmt - Fr Joes Villages	Village and Josue Homes Improvement	2,000.00
95	ARC of San Diego	Sulpizio Family Arc Center of SD	2,500.00
	Union of Pan Asian		
99	Communities	Multi-Cultural Econ Development	5,000.00
	Union of Pan Asian		
100	Communities	Seismic Retrofit Program	5,000.00
102	Urban Corps of San Diego City	Urban Corps Youth Training Center	25,000.00

SLL/kjh

Attachments:

cc:

000201



**COUNCIL PRESIDENT PRO TEM KEVIN L. FAULCONER
CITY OF SAN DIEGO
SECOND DISTRICT**

M E M O R A N D U M

DATE: February 5, 2009
TO: Beth Murray, Deputy Director, Economic Development Division
FROM: Council President Pro Tem Faulconer *Kevin Faulconer*
SUBJECT: FY 2010 CDBG Recommendations - Revised

The District Two net balance for discretionary Community Development Block Grant funding for Fiscal Year 2010 is \$283,394.

This year, I am recommending the following allocations.

FY2010 CDBG – Recommendations from D-2

No.	Applicant	Program	Allocation
2	Accion San Diego	Microlending Program	12,000
5	Aquatic Adventures	Property acquisition to build a "Living Lab" Facility	10,000
41	Coalition of Neighborhood Councils	Tubman Chavez Center Facility Upgrade	1,500
42	Community Housing Works	Home Ownership Center	1,500
57	Local Initiatives Support Corporation	Sustainable Communities	10,000
63	NTC Foundation	Installation of Elevator for ADA Compliance	25,000
65	Ocean Beach Community Development Corporation	Ocean Beach Gateway Project	100,000
81	San Diego Imperial Counties Labor Council	Safe Homes Project	20,000
91	St. Paul's Senior Homes & Services	St. Paul's Manor Roof Upgrade	25,000
94	SVDP Management Inc.	Village and Jouse Home Improvement Project	15,000
102	Urban Corps of San Diego County	Urban Corps Youth Training Center	10,000
104	Vietnam Veterans of San Diego	VVSD Apartments	25,000
106	YWCA of San Diego County	Becky's House Safe Access Project	25,000
Total:			\$ 280,000

cc: Honorable Mayor and City Councilmembers

KF:mta

000203



**OFFICE OF COUNCILMEMBER TODD GLORIA
COUNCIL DISTRICT THREE**

M E M O R A N D U M

DATE: February 1, 2009

TO: Beth Murray, Deputy Director, Economic Development

FROM: Councilmember Todd Gloria, Third Council District *Todd Gloria*

SUBJECT: FY 2010 Community Development Block Grant (CDBG) Entitlement Allocation Recommendations

I am pleased to announce the Third Council District's FY 2010 CDBG entitlement recommendations. Prior to finalizing these recommendations, I request further dialogue and information regarding the increased costs to administer this program. I look forward to working with you and your staff on further reform measures to ensure that the City of San Diego is in compliance with all federal regulations governing the CDBG program.

FY 2010 CDBG Entitlement Recommendations

#	AGENCY NAME	PROJECT NAME	RECOMMENDED AMOUNT
2	Accion San Diego	Microlending Program	\$5,305
3	Alliance for African Assistance	Community Economic Development Microenterprise	\$10,000
5	Aquatic Adventures Science Education Foundation	Property Acquisition to build a "Living Lab" Facility	\$25,000
22	Center for Society Advocacy	Housing Counselor	\$67,500
23	Christie's Place Inc.	Comprehensive Support Center for Women, Children & Families Living with HIV/AIDS	\$10,000
24	City Heights Community Development Corporation	Rebuild City Heights-CBDO	\$180,000
32	City of San Diego Neighborhood Code Compliance	Proactive Code Enforcement	\$85,000
42	Community Housing Works	HomeOwnership Center	\$135,000
47	Fair Housing Council of San Diego	Fair Housing Project	\$5,000

000204

48	Family Health Centers of San Diego	City Heights Family Health Center HVAC Project	\$30,000
54	La Maestra Family Clinic Inc	La Maestra Heart of the Community Capital Campaign	\$20,000
69	Rebuilding Together San Diego	Rebuilding Together San Diego	\$20,000
71	San Diego Center for Children	Main Campus Facilities Improvements	\$10,000
80	San Diego Imperial Counties Labor Council	Safe and Accessible Sidewalks	\$20,000
81	San Diego Imperial Counties Labor Council	Safe Homes Project	\$10,000
83	San Diego Second Chance Program	Second Chance Community Resource Center	\$15,000
84	San Diego Youth & Community Services, Inc.	Bridge Group Home-Damage Repair and Security Upgrades	\$25,000
99	Union of Pan Asian Communities	Multi-Cultural Econ Dev (MED) Program	\$15,000
102	Urban Corps of San Diego County	Urban Corps Youth Training Center	\$10,000
103	Urban Corps of San Diego County	Weatherization, Energy Efficiency and Rehabilitation (WEER)	\$10,000
TOTAL			\$707,805

If you have any questions or comments about these recommendations, please contact Pamela Ison of my staff at (619) 236-7787 or pison@sandiego.gov.

000205



**COUNCILMEMBER ANTHONY YOUNG
FOURTH DISTRICT**

M E M O R A N D U M

DATE: February 3, 2009

TO: Beth Murray, Deputy Director, Economic Development

FROM: Councilmember Anthony Young

SUBJECT: **FY 2010 Community Development Block Grant (CDBG) Entitlement Allocation Recommendations**

District 4 CDBG Allocation: \$1,243,079.67

Mandatory Payments

CDBG Administration:	(\$98,362.44)
Fair Housing:	(\$34,924.56)
Response to HUD Audits:	(\$44,444.44)
Project Management (Grants Compliance Unit):	(\$41,971.64)
Project Management (Engineering):	(\$69,750.00)
San Diego Housing Commission:	(\$38,074.71)
* Section 108 Loan Payments:	(\$619,042.60)

* Please note: CD4 SEDC Section 108 Loan Payment and has been reduced by 138,000.50. The reduced amount is required to be paid with Citywide CDBG funds.

This increases the total FY 2010 CDBG Funds available to \$296,509.28

Following is my recommendation for District Four's allocation of **\$296,509.28** for FY 2010:

FY 2010 CDBG Entitlement Recommendations

<u>Application Number</u>	<u>Agency Name</u>	<u>Project Name</u>	<u>Recommended Amount</u>
2	Accion San Diego	Microlending Program	\$15,000

000206

41	Coalition of Neighborhood Councils	Tubman Chavez Center Facility Upgrade	\$25,000
42	Community Housing Works	Home Ownership Center	\$15,000
67	PAZZAZ	Healthy Learning Communities- Academic Enrichment Program Total Child Model	\$25,000
81	San Diego Imperial Counties Labor Council.	Safe Homes Project	\$25,000
83	San Diego Second Chance Program	Second Chance Community resource Center	\$25,000
99	UPAC	Multi-Cultural Economic Development Program	\$3,000
103	Urban Corps.	WEER	\$25,000

Subtotal:**\$158,000****Total FY 2010 Allocations:****\$158,000***** District Four Reserves:****\$138,509.28**

* These funds are placed in Reserves until issues related to funds available for District Four CDGB allocations are addressed. I will be making additional recommendations for agency funding in the very near future.

000207



City of San Diego

CARL DEMAIO
CITY COUNCILMEMBER -DISTRICT 5

MEMORANDUM

DATE: February 3, 2009

TO: Beth Murray, Deputy Director, Economic Development Department

CC: Honorable Mayor and City Council

FROM: Councilmember Carl DeMaio *Carl DeMaio*

SUBJECT: **FY 2010 Community Development Block Grant (CDBG) Entitlement Allocation Recommendations**

Please find below my updated recommendations for the allocation of Community Development Block Grant funds designated for distribution by Council District 5.

At the request of CDBG administration, I have removed the Barrio Station allocation for \$10,000, Being Alive allocation for \$5,000 and Social Advocates for Youth allocation for \$3,000- for a total of \$18,000. I was informed by CDBG administration that I was not able to fund these three programs because they fall under the Mayor's 15% Social Services allocation. I am placing the \$18,000 into District 5 reserves with the caveat that if these programs are not funded by the Mayor, the funding is available to be reallocated to these programs.

FY 2010 CDBG Entitlement Recommendations

<u>Application Number</u>	<u>Agency Name</u>	<u>Project Name</u>	<u>Recommended Amount</u>
2	Accion San Diego	Microlending Program	\$20,000
16	Burn Institute	Senior Fire and Burn Prevention	\$10,000

000208

42	Community Housing Works	Home Ownership Center	\$10,000
53	Home Start	Transitional Maternity Group Home	\$20,000
57	Local Initiatives Support Corporation	Sustainable Communities	\$5,000
69	Rebuilding Together	Rebuilding Together San Diego	\$8,000
83	San Diego Second Chance	Community Resource Center	\$10,000
94	St. Vincent DePaul Management Corporation (Father Joe's Villages)	Village and Josue Homes Improvement Project	\$10,000
98	Townspeople	Affordable Housing Rehabilitation: Wilson Avenue	\$41,768
99	Union of Pan-Asian Communities	Multicultural Economic Development	\$8,000
100	Union of Pan-Asian Communities	Seismic Retrofit	\$36,846
102	Urban Corps of San Diego County	Youth Training Center	\$25,250

Total: \$204,864

I request that the remaining funds be placed in Council District 5 reserves.

Finally, I have concerns regarding the administrative costs that have significantly increased over the previous year and request adequate justification for these increases. We look forward to working with your office to verify these costs in the coming weeks.

We intend to allocate our reserves of \$113,735.35-as well as any additional funds from the adjustment of administrative costs- at the mid-year reallocation.

000209



COUNCILMEMBER DONNA FRYE
Council District Six
City of San Diego

M E M O R A N D U M

DATE: February 6, 2009
TO: Beth Murray, Deputy Director of Economic Development
FROM: Councilmember Donna Frye *Donna Frye*
SUBJECT: Estimated FY2010 Community Development Block Grant (CDBG) Allocations

Attached are my preliminary allocations for the FY2010 District Six Community Development Block Grant Program.

This year the City Council offices were not provided with explanations of the many "off the top" CDBG cost increases. Upon inquiring, my office received inadequate documentation justifying the increases in the following categories:

CDBG General Administration
Housing Commission
Response to HUD Audits

Project Management (Grants Compliance Unit)
Project Management (Engineering)

Understanding that we are implementing an improved program in response to HUD's recent audit, it is even more important to be as transparent as possible with these figures. For all future CDBG allocation cycles, please ensure that all increases in each category be clearly documented and explained to Council offices prior to memos being due. Waiting until Council offices ask for this information individually and then providing it only verbally is both inefficient and unacceptable.

Secondly, we were not given any written explanation as to why the City Planning & Community Investment Department withheld information regarding Council offices' reserve balances, and discouraged those funds from being incorporated into this year's allocations. As such, I am including my best estimate of my office's reserve balance, and request written confirmation of this balance as soon as possible.

Finally, because this year we are making our allocations based on an estimate of the Federal Government's disbursement, please provide a written explanation of the procedures we will follow once the actual amounts are known. It seems that if we are not apprised of this amount within ten days of the City Council hearing currently scheduled for February 24th, it would be prudent to continue the hearing.

CC: Honorable Mayor Jerry Sanders
Honorable City Councilmembers
Jeff Sturak, Office of the Independent Budget Analyst
Jay Goldstone, Chief Operating Officer
Angela Nazareno, Community & Economic Development

DF/kc

**Council District Six
Fiscal Year 2010
Estimated CDBG Allocation List**

000211

App. #	Applicant/Org. Name	Project Name	D6 Allocation
2	Accion San Diego	Microlending Program	25,000.00
3	Alliance for African Assistance	Community Economic Development Enterprise	20,000.00
5	Aquatic Adventures Science Education Foundation	Property Acquisition to Build a "Living Lab" Facility	25,000.00
8	Bayside Community Center	Linda Vista Community Center Theatre	60,000.00
9	Being Alive San Diego (BASD)	HIV Information & Education	5,000.00
10	Big Sister League of San Diego Inc.	McAfee Residence Renovation Project	28,000.00
11	Big Sister League of San Diego Inc.	Woods Home Renovation Project	37,000.00
12	Boys and Girls Club of of Inland/North County	Clairemont Branch Improvements	35,000.00
14	Boys and Girls Club of Inland/North County	Roberts (Linda Vista) Branch Interior Improvements	35,000.00
31	City of San Diego Environmental Services Department	Lead Safe Neighborhoods Program	35,000.00
34	City of San Diego Neighborhood Code Compliance Department	Proactive Code Enforcement	90,000.00
42	Community Housing Works	HomeOwnership Center	10,000.00
50	Family Health Centers of San Diego	Teen Health Center Renovation	20,000.00
53	Home Start Inc.	Home Start Transitional Maternity Group Home	20,000.00
69	Rebuilding Together San Diego	Rebuilding Together San Diego	35,000.00
71	San Diego Center for Children	Main Campus Facilities Improvements	50,000.00
81	San Diego Imperial Counties Labor Council	Safe Homes Project	55,000.00
83	San Diego Second Chance Program	Second Chance Community Resource Center	35,000.00
88	Senior Community Centers	Gary & Mary West Senior Wellness Center	10,000.00
89	Social Advocates for Youth, San Diego Inc. (SAY)	San Diego Teen Court	3,000.00
95	The ARC of San Diego	Sulpizio Family ARC Center of San Diego	20,000.00
101	Urban Corps of San Diego County	TreeSmart San Diego	20,000.00
102	Urban Corps of San Diego County	Urban Corps Youth Training Center	50,000.00
105	YMCA of San Diego County- Youth & Family Services	Oz San Diego Renovations	25,000.00
7	Bayside Community Center	Fair Housing	11,641.52
22	Center for Social Advocacy	Fair Housing	11,641.52
47	The Fair Housing Council of San Diego	Fair Housing	11,641.52
27	City of San Diego	CDBG General Administration	47,243.00
27	City of San Diego	Response to HUD Audits	29,520.00
27	City of San Diego	Project Management (Grants Compliance Unit)	33,307.00
27	City of San Diego	Project Management (Engineering)	33,210.00

5926,204.56

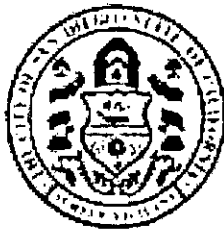
Total Estimated D6 funds: \$986,443.87

FY 2010 D6 Expenditures: \$926,204.56

Balance for 2010 Reserves: \$60,239.31

Total Reserves: 6,365.46 (Prior Year Reserves) + 54,659.23 (FY09 Reprogrammed) + 60,239.31 (Current) = \$121,263.31

000213




Marti Emerald Councilmember District Seven

MEMORANDUM

DATE: February 6, 2009

TO: Beth Murray, Deputy Director, Economic Development

FROM: Councilmember Marti Emerald 

SUBJECT: FY 2010 CDBG Allocation Recommendations

Below please find my recommended CDBG allocations for FY 2010. In reviewing past year allocations and charges I noted that administrative expenses seem to be skyrocketing while actual contracts that are administrated and overall HUD funding are decreasing.

While I understand the reforms being introduced in this cycle have a cost to implement, I cannot allow 20% of my allocation to be added to a fund to cover unknown miscellaneous City expenses. This money is intended to serve and benefit the lowest of our economic population; therefore, I have amended the formula and amounts that were previously awarded to the administrative bureaucracy. I have also eliminated the engineering overhead as it is duplicative.

In addition to overhead, I have amended the allocation to the Housing Commission as that is no longer a mandatory project. Lastly, I have not been provided a copy of my reserve account so I was unable to recommend allocation of those funds. Please forward said report to me as soon as possible.

Application #	Agency	Project	Recommendation
4	Alliance for African	Building Rehab	10,000
5	Aquatic Adventures	Property Acquisition	20,000
16	Burn Institute	Sr. Burn Prevention	5,000
19	Caring Hearts Medical	Clinic Improvements	10,000
23	Christie's Place	Comp Support Center	20,000
24	City Heights CDC	Rebuild City Heights	40,000
42	Comm. Housing Works	Home Ownership Center	20,000
48	Family Health Centers	HVAC Project	60,000
57	LISC	Sustainable Comm.	10,000
69	Rebuilding Together	SD RT Program	35,000

DATE: January 30, 2009
TO: Beth Murray, Deputy Director, Economic Development
FROM: Councilmember Marti Emerald
SUBJECT: FY 2010 CDBG Allocation Recommendations

Application #	Agency	Project	Recommendation
71	SD Center for Children	Campus Improvement	20,000
80	SD/IMP Labor Council	Safe Sidewalks	50,000
81	SD/IMP Labor Council	Safe Homes	25,000
83	SD Second Chance	Resource Center	10,000
89	SAY San Diego Inc.	Teen Court	3,000
92	Stepping Stone SD	Enya House	5,000
93	Stepping Stone SD	Property Acquisition	15,000
95	ARC of San Diego	Family ARC Center	20,000
97	Townspeople	Housing Rehab	65,000
102	Urban Corps of SD	Youth Training Center	70,000
D7 Reserve			12,858.53
27	City of San Diego	CDBG General Admin.	76,152
27	City of San Diego	Response to HUD Audit	28,800
27	City of San Diego	Project Management	32,494
7	Fair Housing	Bayside Community Center	8,000
47	Fair Housing	Center for Social Advocacy	8,000
22	Fair Housing	Fair Housing Council of SD	8,000
N/A	HUD 108 Loans	FY10 Payments	275,079.73
	FY2010	Total Allocation Recommendation	\$962,384.26

Cc: Mayor Jerry Sanders
Council President Hueso
Honorable Council Members
Independent Budget Analyst

000215



COUNCIL PRESIDENT BEN HUESO
City of San Diego
Eighth District

MEMORANDUM

DATE: February 5, 2009

TO: Beth Murray, Deputy Director of Economic Development

FROM: Council President Ben Hueso

SUBJECT: CDBG FY 2010 recommendations

I am recommending an alternative distribution for the proposed CDBG FY2010 allocations to ensure a more standardized allotment of funds and a more fair allocation process. The proposed CDBG FY2010 budget totals \$13,366,448.10 and is allocated proportionally, with Citywide receiving 40% of the total funds, or \$5,346,579.24. Council Districts divide the remaining 60% according to CDBG eligibility.

It seems logical and fair that the same 40%/60% split should be applied to costs related staffing, operations and the fair housing categories. The current proposal has significant inconsistencies. Some, including General Administration and Project Management (Grants Compliance Unit) reflect a proportional split, while others such as Fair Housing and HUD Audits are assigned a flat fee. One category, Project Management (Engineering) is entirely assigned to Council Districts, for a 0%/100% split, seemingly arbitrarily, and with no explanation. I propose a 40%/60% allocation be applied across categories mentioned above.

As you will see, the Housing Commission allocation is no longer under the "Required Funding Obligation" category, as this is not a required obligation. While a worthy project, a decision as to whether or not to fund it should be at the discretion of each Council Office.

In addition, my recommendation combines two categories: Grants Compliance Unit and Engineering, into one, Project Management, for FY 2010. Further, I recommend allocating \$450,000 to the category, rather than the combined \$901,308 requested for the two categories. In making this recommendation, I am aligning with FY2008 and previous year's categorization and allocation. There is no explanation as to why staff costs have increased so significantly for work on a much smaller number of contracts. In the absence of a clear explanation, I believe it is reasonable to fund only one category, and at its original cost.

000216

Based on the above, following are my recommendations for approval:

FY10 HUD Section 108 Loans:

Active Loans	Payment Amount
Barrio.Logan Mercado	\$250,000.00
Central Police Station	\$348,692.80
Logan Heights Library	\$251,250.00
Camp Hope	\$15,146.87
Otay Mesa/Nestor Library	\$64,039.50
Logan Heights Family Health Center	\$96,839.20
Food Bank	\$10,137.97
Logan Heights Library #2	\$32,000.00
TOTAL	\$1,068,106.33

FY10 recommendations for CDBG Administration:

Funding recommendations	Allocation
CDBG General Administration	\$116,765.73
Fair Housing	\$34,702.00
Response to HUD Audits	\$44,160.00
Project Management	\$49,824.40
TOTAL	\$245,452.13

FY10 Council District Eight Recommendations:

Project number	Organization/Project	Allocation
#11 (FY09)	Border View YMCA(New facility)	\$50,000.00
#57	LISC (Sustainable Communities)	\$50,000.00
#103	Urban Corps (Weer)	\$50,000.00
	District 8 Reserves	\$12,097.41
	TOTAL	\$162,097.41

Thank you for your attention to this matter.

cc: Honorable Mayor Jerry Sanders
Honorable Council Members
Jay Goldstone, Chief Operating Officer
Andrea Tevlin, IBA
Angela Nazareno, Community & Economic Development

Attachment

000217

**CITY OF SAN DIEGO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FISCAL YEAR 2010 ENTITLEMENT ALLOCATION RECOMMENDATIONS**

ATTACHMENT 1

NO	AGENCY	PROJECT	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	Citywide	Total
Total Available for Funding			521,291.48	801,986.89	1,531,794.95	1,243,079.67	497,231.87	986,443.87	962,384.26	1,475,655.87	5,346,579.24	13,366,448.10
Funding Obligations - FY 2010 Budget Spreadsheet												
6	Barrio Station	Barrio Youth Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	232,250.00	232,250.00
9	Being Alive San Diego (BASD)	HIV Information & Education	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52,675.00	52,675.00
7	Bayside Community Center	Fair Housing Project	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	104,773.67
20	Casa Familiar Inc	Casa Familiar Family Services Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51,004.00	51,004.00
22	Center for Social Advocacy	Fair Housing Project	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	104,773.67
26	City of San Diego Disability Services	ADA Architectural Barrier Removal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,069,315.85	1,069,315.85
27	City of San Diego Economic Development	CDBG Program Administration	132,544.22	179,982.56	303,322.25	254,528.53	128,478.08	211,156.33	207,090.19	293,834.58	648,031.88	2,358,968.61
28	City of San Diego Economic Development	Cortez Hill Family Center (YWCA of San Diego County)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	243,568.00	243,568.00
29	City of San Diego Economic Development	Homeless Emergency Winter Shelter Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105,000.00	105,000.00
30	City of San Diego Economic Development	Neil Good Day Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	438,841.00	438,841.00
38	City of San Diego Park & Recreation	Power Beech Wheelchair Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	25,000.00
39	City of San Diego Park & Recreation	Senior Citizens Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	136,197.22	136,197.22
40	City of San Diego Park & Recreation	Therapeutic Recreation Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	354,175.00	354,175.00
43	County of San Diego Aging & Independence Services	Senior Nutrition Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	147,567.00	147,567.00
44	County of San Diego HHSA CAP-Ecumenical Council of San Diego	Interfaith Shelter Network Rotational Shelter Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	25,000.00
47	Fair Housing Council of San Diego	Fair Housing Project	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	11,641.52	104,773.67
55	Legal Aid Society of San Diego	Legal Aid Community Response Team	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65,030.00	65,030.00
73	San Diego County Ser/Job for Progress Inc.	Pacific Beach Employment Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,944.00	60,944.00
74	San Diego County Superintendent of Schools, Juvenile Court and Community Schools	Youth Leadership and Work Academy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,858.00	33,858.00
79	San Diego Housing Commission	Acquisition of Affordable Housing	15,966.81	21,564.33	46,917.86	38,074.71	15,229.88	30,214.12	29,477.19	45,198.36	1,031,834.73	1,277,478.00
89	Social Advocates for Youth, San Diego Inc. (SAY)	San Diego Teen Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,858.00	33,858.00
N/A	Section 108 Loan Repayments	Barrio Logan Mercado	0.00	0.00	0.00	0.00	0.00	0.00	0.00	250,000.00	310,044.50	560,044.50
N/A	Section 108 Loan Repayments	SEDC (3 Projects)	0.00	0.00	0.00	500,000.00	0.00	0.00	0.00	0.00	11,999.50	511,999.50
N/A	Section 108 Loan Repayments	Central Police Station	0.00	0.00	0.00	0.00	0.00	0.00	0.00	348,692.80	0.00	348,692.80
N/A	Section 108 Loan Repayments	Vietnam Veterans Homeless Facility	0.00	90,564.50	0.00	0.00	0.00	0.00	0.00	0.00	90,564.50	90,564.50
N/A	Section 108 Loan Repayments	Cortez Hill Transitional Housing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	235,461.00	235,461.00
N/A	Section 108 Loan Repayments	College Rolando Library	0.00	0.00	0.00	0.00	0.00	0.00	270,009.90	0.00	0.00	270,009.90
N/A	Section 108 Loan Repayments	Ocean beach Library	0.00	188,556.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	188,556.60
N/A	Section 108 Loan Repayments	Logan Heights Library	0.00	0.00	0.00	0.00	0.00	0.00	0.00	251,250.00	0.00	251,250.00
N/A	Section 108 Loan Repayments	District 3 Public Improvements	0.00	0.00	398,028.80	0.00	0.00	0.00	0.00	0.00	0.00	398,028.80

**CITY OF SAN DIEGO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FISCAL YEAR 2010 ENTITLEMENT ALLOCATION RECOMMENDATIONS**

NO	AGENCY	PROJECT	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	Citywide	Total
N/A	Section 108 Loan Repayments	District 4 (Senior Center)	0.00	0.00	0.00	257,043.10	0.00	0.00	0.00	0.00	0.00	257,043.10
N/A	Section 108 Loan Repayments	Camp HOPE	10,039.87	0.00	10,039.87	0.00	0.00	0.00	0.00	15,146.87	0.00	35,226.60
N/A	Section 108 Loan Repayments	Olney Mesa/Nestor Library	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64,039.50	0.00	64,039.50
N/A	Section 108 Loan Repayments	Logan Heights Family Health Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	96,839.20	0.00	96,839.20
N/A	Section 108 Loan Repayments	Food Bank	5,069.83	0.00	10,137.97	0.00	0.00	0.00	5,069.83	10,137.97	0.00	30,415.59
N/A	Section 108 Loan Repayments	LGBT Centre	0.00	0.00	20,618.20	0.00	0.00	0.00	0.00	0.00	0.00	20,618.20
N/A	Section 108 Loan Repayments	Logan Heights Library #2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,000.00	0.00	32,000.00
Subtotal of Funding Obligations			198,545.29	518,592.54	823,919.50	1,084,570.89	178,632.52	276,295.01	546,571.66	1,442,063.83	5,346,579.24	10,415,840.47

FY 2010 Project Applications												
1	Access Inc	Microenterprise Development	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00	0.00	0.00	20,000.00
2	Access San Diego	Microlending Program	15,000.00	12,000.00	5,305.00	15,000.00	20,000.00	25,000.00	0.00	0.00	0.00	92,305.00
3	Alliance for African Assistance	Community Economic Development Microenterprise	10,000.00	0.00	10,000.00	0.00	0.00	20,000.00	0.00	0.00	0.00	40,000.00
4	Alliance for African Assistance	Crossroads Redevelopment District Building Rehabilitation	3,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00	0.00	0.00	13,000.00
5	Aquatic Adventures Science Education Foundation	Property Acquisition to build a "Living Lab" Facility	5,000.00	10,000.00	25,000.00	0.00	0.00	25,000.00	20,000.00	0.00	0.00	85,000.00
8	Bayside Community Center	Linda Vista Community Center Theatre	0.00	0.00	0.00	0.00	0.00	60,000.00	0.00	0.00	0.00	60,000.00
10	Big Sister League of San Diego Inc/Big Sister League Residency Inc.	McAfee Residence Renovation Project	4,000.00	0.00	0.00	0.00	0.00	28,000.00	0.00	0.00	0.00	32,000.00
11	Big Sister League of San Diego Inc/Big Sister League Residency Inc.	Woods Home Renovation Project	4,000.00	0.00	0.00	0.00	0.00	37,000.00	0.00	0.00	0.00	41,000.00
12	Boys & Girls Club Inland North County (dba Boys & Girls Clubs of Greater San Diego)	Clairemont Branch Improvements	0.00	0.00	0.00	0.00	0.00	35,000.00	0.00	0.00	0.00	35,000.00
13	Boys & Girls Club Inland North County (dba Boys & Girls Clubs of Greater San Diego)	Encanto Dance Studio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Boys & Girls Club Inland North County (dba Boys & Girls Clubs of Greater San Diego)	Roberts (Linda Vista) Branch Interior Improvements	0.00	0.00	0.00	0.00	0.00	35,000.00	0.00	0.00	0.00	35,000.00
15	Boys & Girls Club Inland North County (dba Boys & Girls Clubs of Greater San Diego)	W J Oakes Parking Lot	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Burn Institute	Senior Fire and Burn Prevention Program	5,000.00	0.00	0.00	0.00	10,000.00	0.00	5,000.00	0.00	0.00	20,000.00
17	Camp Fire USA San Diego & Imperial Counties Council	Bathroom Renovation & update for compliance with ADA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Camp HOPE	Camp HOPE Cabin	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00

**CITY OF SAN DIEGO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FISCAL YEAR 2010 ENTITLEMENT ALLOCATION RECOMMENDATIONS**

NO	AGENCY	PROJECT	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	Citywide	Total
19	Caring Hearts Medical Foundation & Health Services	Caring Hearts Medical Foundation Free Clinic Improvement Project	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00
21	Casa Familiar Inc	San Ysidro Centers Energy Efficiency Upgrades	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Center for Social Advocacy	Fair Housing Project	0.00	0.00	67,500.00	0.00	0.00	0.00	0.00	0.00	0.00	67,500.00
23	Christie's Place Inc	Comprehensive Support Center for Women, Children & Families Living with HIV/AIDS	0.00	0.00	10,000.00	0.00	0.00	0.00	20,000.00	0.00	0.00	30,000.00
24	City Heights Community Development Corporation	Rebuild City Heights-CBDO	0.00	0.00	180,000.00	0.00	0.00	0.00	40,000.00	0.00	0.00	220,000.00
25	City of San Diego Business Administration	Mentor Protégé Program	7,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,500.00
31	City of San Diego Environmental Services	Lead Safe Neighborhoods Program	4,000.00	0.00	0.00	0.00	0.00	35,000.00	0.00	0.00	0.00	39,000.00
32	City of San Diego Neighborhood Code Compliance	Proactive Code Enforcement-CD3	0.00	0.00	85,000.00	0.00	0.00	0.00	0.00	0.00	0.00	85,000.00
33	City of San Diego Neighborhood Code Compliance	Proactive Code Enforcement-CD4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
34	City of San Diego Neighborhood Code Compliance	Proactive Code Enforcement-CD6	0.00	0.00	0.00	0.00	0.00	90,000.00	0.00	0.00	0.00	90,000.00
35	City of San Diego Neighborhood Code Compliance	Proactive Code Enforcement-CD7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36	City of San Diego Neighborhood Code Compliance	Proactive Code Enforcement-CD8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	City of San Diego Neighborhood Code Compliance, Graffiti Control Program	Graffiti Tracker	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41	Coalition of Neighborhood Councils	Tubinan Chavez Center Facility Upgrade	0.00	1,500.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00	26,500.00
42	Community Housing Works	HomeOwnership Center	4,000.00	1,500.00	135,000.00	15,000.00	10,000.00	10,000.00	20,000.00	0.00	0.00	195,500.00
45	El Cajon Blvd Business Improvement Association	Infrastructure Improvement Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Elderhelp of San Diego	Tenant Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
47	Fair Housing Council of San Diego	Fair Housing Project	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00
48	Family Health Centers of San Diego	City Heights Family Health Center HVAC Project	0.00	0.00	30,000.00	0.00	0.00	0.00	60,000.00	0.00	0.00	90,000.00
49	Family Health Centers of San Diego	Downtown Family Health Center Relocation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	Family Health Centers of San Diego	Teen Health Center Renovation Project	2,000.00	0.00	0.00	0.00	0.00	20,000.00	0.00	0.00	0.00	22,000.00
51	Florence Griffith Joyner Youth Foundation	Operation Expand	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
52	Greater Life Baptist Church	Greater Life Baptist Church	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53	Home Start Inc.	Home Start Transitional Maternity Group Home	15,000.00	0.00	0.00	0.00	20,000.00	20,000.00	0.00	0.00	0.00	55,000.00

**CITY OF SAN DIEGO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FISCAL YEAR 2010 ENTITLEMENT ALLOCATION RECOMMENDATIONS**

ATTACHMENT I

NO	AGENCY	PROJECT	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	Citywide	Total
54	La Maestra Family Clinic Inc	La Maestra Heart of the Community Capital Campaign	0.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
56	Lincoln Park Housing Corporation	Lincoln Park Housing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Local Initiatives Support Corporation (LISC)	Sustainable Communities	2,000.00	10,000.00	0.00	0.00	5,000.00	0.00	10,000.00	50,000.00	0.00	77,000.00
58	Lutheran Social Services of Southern California	Caring Neighbors: Minor Home Repair Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
59	MAAC Project	President John Adams Minor Neighborhood Safety Initiative	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Mountain View Sports & Racquet Club	Tennis Court Lighting Upgrade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
61	North Park Organization of Businesses Inc. (DBA North park Main Street	Lighting for Safety and Accessibility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
62	North Park Organization of Businesses Inc. (DBA North park Main Street	Neighborhood Bicycle Rack Installation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
63	NTC Foundation	Installation of Elevator for ADA Compliance	1,000.00	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,000.00
64	Occupational Training Services Inc.	Hacienda Townhomes Affordable Housing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
65	Ocean Beach Community Development Corporation	Ocean Beach Gateway Project	0.00	100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00
66	Old Globe Theatre dba The Old Globe	Southeastern San Diego Residency Project/The Old Globe Technical Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
67	PAZZAZ	Healthy Learning Communities - Academic Enrichment Program (AEP) Total Child Model	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00	25,000.00
68	Peninsula Shepherds Center	Handy Hands Repair Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
69	Rebuilding Together San Diego	Rebuilding Together San Diego	12,500.00	0.00	20,000.00	0.00	8,000.00	35,000.00	35,000.00	0.00	0.00	110,500.00
70	San Diego Automotive Museum	HUD and ADA Compliant Elevator Design and Installation	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00
71	San Diego Center for Children	Main Campus Facilities Improvements	2,000.00	0.00	10,000.00	0.00	0.00	50,000.00	20,000.00	0.00	0.00	82,000.00
72	San Diego Community Housing Corporation	Town & Country Village Apartments Education Pavilion	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
75	San Diego Family Care, dba Mid-City Community Clinic	Community Clinic Expansion Project	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
76	San Diego Food Bank	Warehouse Roof Replacement and Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
77	San Diego Home Loan Counseling & Education Center	Project Home	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
78	San Diego Home Loan Counseling & Education Center	Small Business Development and Training	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,700.00
80	San Diego Imperial Counties Labor Council	Safe and Accessible Sidewalks	15,000.00	0.00	20,000.00	0.00	0.00	0.00	50,000.00	0.00	0.00	85,000.00
81	San Diego Imperial Counties Labor Council	Safe Homes Project	15,000.00	20,000.00	10,000.00	25,000.00	0.00	55,000.00	25,000.00	0.00	0.00	150,000.00

000221

ATTACHMENT 1

**CITY OF SAN DIEGO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FISCAL YEAR 2010 ENTITLEMENT ALLOCATION RECOMMENDATIONS**

NO	AGENCY	PROJECT	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	Citywide	Total
82	San Diego Rescue Mission	Installation of a new HVAC system	10,320.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,320.00
83	San Diego Second Chance Program	Second Chance Community Resource Center	2,500.00	0.00	15,000.00	25,000.00	10,000.00	35,000.00	10,000.00	0.00	0.00	97,500.00
84	San Diego Youth & Community Service Inc.	Bridge Group Home-Damage Repair and Security Upgrades	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00
85	San Diego Youth & Community Service Inc.	Storefront Homeless Youth Shelter, Solar Water System	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
86	San Diego Youth & Community Service Inc.	Take Wing Transitional Housing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
87	San Ysidro Health Center	San Ysidro Facility Renovations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
88	Senior Community Centers	Gary & Mary West Senior Wellness Ctr Seismic Retrofit	2,500.00	0.00	0.00	0.00	0.00	10,000.00	0.00	0.00	0.00	12,500.00
90	Southwestern Community College	Procurement Technical Assistance Center Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
91	St. Paul's Senior Homes & Services	St. Paul's Manor Roof Upgrade	2,000.00	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,000.00
92	Stepping Stone of San Diego Inc.	Enya House Rehabilitation Project	2,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00	0.00	7,000.00
93	Stepping Stone of San Diego Inc.	Sober Living Acquisition Project	1,000.00	0.00	0.00	0.00	0.00	0.00	15,000.00	0.00	0.00	16,000.00
94	SVDP Management Inc. (dba Father Joe's Villages)	Village and Josue Homes Imp Project	2,000.00	15,000.00	0.00	0.00	10,000.00	0.00	0.00	0.00	0.00	27,000.00
95	The ARC of San Diego	Sulpizio Family Arc Center of San Diego	2,500.00	0.00	0.00	0.00	0.00	20,000.00	20,000.00	0.00	0.00	42,500.00
96	Townsppeople	34th Street Project	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
97	Townsppeople	Affordable Housing Rehab - 51st Street	0.00	0.00	0.00	0.00	0.00	0.00	65,000.00	0.00	0.00	65,000.00
98	Townsppeople	Affordable Housing Rehab - Wilson Avenue	0.00	0.00	0.00	0.00	41,768.00	0.00	0.00	0.00	0.00	41,768.00
99	Union of Pan Asian Communities	Multi-Cultural Econ Dev (MED) Program	5,000.00	0.00	15,000.00	3,000.00	8,000.00	0.00	0.00	0.00	0.00	31,000.00
100	Union of Pan Asian Communities	Seismic Retrofit Project	5,000.00	0.00	0.00	0.00	36,846.00	0.00	0.00	0.00	0.00	41,846.00
101	Urban Corps of San Diego County	TreeSmart San Diego	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00	0.00	0.00	20,000.00
102	Urban Corps of San Diego County	Urban Corps Youth Training Center	25,000.00	10,000.00	10,000.00	0.00	25,250.00	50,000.00	70,000.00	0.00	0.00	190,250.00
103	Urban Corps of San Diego County	Weatherization, Energy Efficiency and Rehabilitation (WEER)	0.00	0.00	10,000.00	25,000.00	0.00	0.00	0.00	50,000.00	0.00	85,000.00
104	Vietnam Veterans of San Diego	VVSD Apartments	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00
105	YMCA of San Diego County - Youth & Family Services	Oz San Diego Renovations	0.00	0.00	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	25,000.00
106	YWCA of San Diego County	Becky's House Safe Access Project	0.00	25,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00
107	YWCA of San Diego County	YWCA Safe House Project	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal of Recommended Allocations for FY10 Project Applications			201,520.00	280,000.00	707,805.00	158,000.00	204,864.00	760,000.00	510,000.00	100,000.00	0.00	2,922,189.00
(Funding-Obligations-Applications)=Reserves			121,226.19	3,394.34	0.45	508.78	113,735.35	(49,851.14)	(94,187.40)	(66,407.96)	0.00	28,418.63

000222

**FY 2010 CDBG-ESG PROGRAMS AND
FY 2010 FIVE-YEAR CONSOLIDATED PLAN AND ANNUAL ACTION PLAN**

Calendar Summary Timeline

10/22/08- 11/04/08	Public Notice: Funding availability for FY 2010 of City Federal Entitlements: Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), Housing Opportunities for People with Aides (HOPWA), HOME Investment Partnership Program (HOME), and American Dream Downpayment Investment Initiative (ADDI); FY 2010 CDBG application availability, and the FY 2009 Reprogramming Hearing
11/03/08	FY 2010 CDBG-ESG applications are available
11/10/08	*Mandatory CDBG application workshops (2 sessions: 10 a.m and 2 p.m)
12/10/08	*Mandatory CDBG application workshops (2 sessions: 10 a.m and 2 p.m)
12/17/08	FY 2010 CDBG applications are due to CDBG Office by 5 p.m.
01/09/09	Mayor and Council to receive binders containing FY 2010 CDBG and ESG eligible applications for review
02/10/09	Public Notice: FY 2010 CDBG Public Hearing scheduled for February 24, 2009
02/24/09	Public Hearing – Mayor and Council CDBG allocations for FY2010
03/03/09	Letter to CDBG applicants regarding FY 2010 Mayor and Council Allocations
03/10/09 & 03/11/09	Four focus group meetings (2 with stakeholders; 2 with City residents) to be conducted as part of the City's FY 2010 Five-Year Consolidated Plan and Annual Action Plan process; approved FY 2010 CDBG & ESG funding allocations to be included in the presentation
04/03/09	Draft FY 2010 Five-Year Consolidated Plan and Annual Action Plan tentatively scheduled to be presented to the San Diego Housing Commission Board
04/15/09	Draft FY 2010 Five-Year Consolidated Plan and Annual Action Plan tentatively scheduled to be presented to the Land Use and Housing Committee
04/21/09 or 04/28/09	Draft FY 2010 Five-Year Consolidated Plan and Annual Action Plan tentatively scheduled to be presented to City Council for approval
05/15/09	Deadline for the City to submit the FY 2010 Five-Year Consolidated Plan and Annual Action Plan to HUD for approval.

000223



333
02/24

THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: February 13, 2009 REPORT NO: 09-009
ATTENTION: Council President and City Council
Agenda of February 23 & 24, 2009
SUBJECT: FY 2010 Community Development Block Grant (CDBG) Program and
Emergency Shelter Grant (ESG) Program Entitlements Hearing

REQUESTED ACTIONS:

1. Authorize the City Comptroller to accept Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development for the City's FY 2010 CDBG Program.
2. Authorize the City Comptroller to accept Emergency Shelter Grant (ESG) funds from the U.S. Department of Housing and Urban Development for the City's FY-2010 ESG Program.
3. Approve the funding recommendations for the City's FY 2010 CDBG Program and ESG Program, set forth in Report to the City Council No. _____, a copy of which is on file with the Office of the City Clerk as Document No. RR-_____, contingent upon certification of fund availability by the City Comptroller.
4. Direct that the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding be incorporated into the City's FY 2010 Five-Year Consolidated Plan and Annual Action Plan.
5. Authorize the Mayor or his designee to negotiate and execute agreements, with those agencies for which projects and programs have been approved for CDBG and ESG funding, contingent upon certification of fund availability by the City Comptroller.
6. Authorize the City Comptroller to appropriate and expend the CDBG funds for the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding, contingent upon adoption of the FY 2010 Appropriation Ordinance and contingent upon certification of funds availability by the City Comptroller.
7. Authorize the Mayor or his designee to suspend the initiation of new HUD Section 108 Loans during FY 2010 that rely on CDBG and/or General Funds as a repayment source.
8. Authorize the City Comptroller to accept the funding appropriations from SDHC for the Homeless Emergency Winter Shelter Program and the Regional Taskforce on the Homeless projects, contingent upon approval by the Housing Commission Board and the Housing Authority and contingent upon certification of fund availability by the City Comptroller.

STAFF RECOMMENDATIONS:

Adopt the Requested Actions.

SUMMARY:Background

The Federal Housing and Community Development Act of 1974 established the Community Development Block Grant (CDBG) Program, which is administered by the Department of Housing and Urban Development (HUD). The City of San Diego (City) has received CDBG Entitlement funds annually since its inception. The overarching goal of the CDBG Program is to develop viable urban communities through the provision of decent housing, suitable living environments, and economic activities for persons of low and moderate income.

The CDBG Program allows local jurisdictions latitude in deciding upon a community development strategy and determining the types of projects to fund. However, there are restrictions on the types of activities that are eligible for funding. These restrictions are defined in the Code of Federal Regulations (24 CFR 570).

The CDBG Program and the ESG Program are administered by the Economic Development Division staff of the City Planning & Community Investment Department. CDBG staff is responsible for grant compliance and the overall administration of the City's CDBG Program and ESG Program. Each year, the City is obligated to follow a HUD-defined "consolidated planning" process to insure community involvement, project eligibility, and a strategic approach to utilizing CDBG and ESG funds. Grantees are required to submit both a five-year strategic plan and annual action plans (which are subject to HUD approval) in order to qualify for funding.

In addition, the City is a grantee of the Emergency Shelter Grant (ESG) Entitlement. The objectives of the ESG Program are to increase the number and quality of emergency shelters and transitional facilities for homeless individuals and families, to operate these facilities and provide essential social services, and to help prevent homelessness. Since its inception, the ESG Program has helped to provide facilities and services to meet the needs of the homeless people. The City has utilized the ESG funds to support the City's Cortez Hill Family Center and the Homeless Emergency Winter Shelter Program.

City CDBG Program Reforms:

During Fiscal Year 2007, the Mayor directed City Staff to begin working towards improving the CDBG Program. The program was reassigned to the Economic Development Division of City Planning & Community Investment. Since then, several Economic Development staff were reassigned, which resulted in the administrative reorganization of the CDBG Program into a centralized group.

In Fiscal Year 2008, HUD's Office of Community Planning and Development completed two monitoring reviews of the City's CDBG Program. A Fiscal Year 2007 On-Site Monitoring Review was completed in August 2007 and an Environmental Monitoring Review was completed in February 2008. Several findings were identified and corrective measures recommended in each case. In addition, a letter was sent by HUD in February 2008 regarding the City's lack of a comprehensive Fair Housing Program.

000225

Program reforms were implemented during Fiscal Year 2008 that included the following:

1. Council Policy 700-02 was revised in January 2008 to include the following language to implement initial reforms to the CDBG Program:
 - a. No allocation of CDBG funds will be made to a project for which a CDBG application has not been received by the City;
 - b. No allocation of CDBG funds will be made to a project of less than \$25,000, unless funding at a lesser amount is necessary to complete a project;
 - c. A Community Based Development Organization (CBDO) certification process will be conducted in an effort to fund eligible project activities, as defined in the applicable U.S. Department of Housing and Urban Development regulations;
 - d. No allocation of CDBG funds will be made to a subrecipient project in the category of "Planning," except for those subrecipients certified by the City as a Community Based Development Organization;
 - e. All CDBG applicants shall attend mandatory workshops hosted by City staff during the annual CDBG application period; and
 - f. All CDBG funds allocated to projects shall be used within three years of the date of the allocation, or such funds are subject to being reprogrammed by the City Council.
2. Two existing vacant positions in the Economic Development Division were reassigned to the CDBG Program per HUD's recommendation for more staffing to implement audit recommendations.
3. A process for appropriate documentation of eligibility review was implemented.
4. A process for appropriate documentation of environmental reviews was implemented.
5. A process for a more detailed review of CDBG Applications was implemented.
6. Two Fair Housing agencies were identified as having the capacity to provide appropriate services to the City of San Diego and meet HUD requirements.
7. Additional funds approved in the FY 2009 CDBG Budget for further corrective measures due to HUD audits and for Fair Housing activities.
8. Memorandums of Understanding (MOU) were developed between various City Departments and the CDBG Office regarding eligible activities and expenditures for the Fiscal Year 2009 period.

During Fiscal Year 2009, the following CDBG Program reforms were implemented:

1. An Accountant III was assigned to the CDBG Program to assist with addressing HUD's findings and/or recommendations.
2. An additional Community Development Specialist II was reassigned to the CDBG Program.
3. One additional Fair Housing agency was identified as having capacity to provide appropriate services to the City of San Diego and meet HUD requirements. The Scope of Services for the Fair Housing activities was standardized to address the concerns identified by HUD.
4. The timeline for the FY 2010 CDBG Application was scheduled earlier than in prior years to ensure the approved allocations can be included in the City's Five-Year Consolidated and Annual Action Plan due to be submitted to HUD in May 2009.
5. Four (4) sessions of the mandatory FY 2010 CDBG Application Workshops were conducted by CDBG staff.

6. All applications submitted by the designated deadline were reviewed by CDBG staff to ensure compliance with application submittal requirements.
7. A review of each applicant's financial status was conducted to determine whether accounting records were maintained using generally accepted accounting principles and to determine their capacity to effectively utilize CDBG funds on a cash reimbursement basis.
8. A presentation on HUD's Office of Inspector General (OIG) audit report was made to the Audit Committee on January 26, 2009.
9. A Consultant Agreement with a February 2009 start date was executed to review the City's CDBG Program and offer suggestions on how to implement corrective measures as well as assist with completing the following plans and procedures recommended by HUD:
 - Management Plan
 - Monitoring Plan
 - Fair Housing Plan
 - Environmental Review Policies and Procedures
 - Operating Manual for the CDBG Program
 - Citizen Participation Plan

DISCUSSION

The City's FY 2010 CDBG application process began earlier than in prior years to facilitate the compliance of the City's reporting and budgeting requirements of HUD. A public notice of available funding was published from October 22, 2008 through November 4, 2008. Shortly thereafter, the FY 2010 CDBG Application packet was made available to the public on November 3, 2008. All potential applicants were required to attend one application workshop session. Four workshops were conducted by CDBG staff. Workshop participants were required to fill out and submit a Certification of Compliance form.

The deadline for submission of the CDBG applications was December 17, 2008. An initial review of all applications submitted by the designated deadline was conducted by CDBG staff. Applicants were required to remain present during this initial review. Those able to satisfy the application submittal requirements were issued a Certification of Submittal form by the CDBG staff. Applications from agencies unable to fulfill application submittal requirements were not accepted and returned to the applicant, along with a Missing Items from Application Submittal form.

A thorough secondary review of the CDBG applications accepted was conducted during the period of December 18, 2008 through January 7, 2009. An improvement to the CDBG Application process undertaken for FY 2010 was to conduct a review of the applicant's financial status to determine whether accounting records were maintained using generally accepted accounting principles and to ensure/determine their capacity to effectively utilize CDBG funds on a cash reimbursement basis. Each applicant was required to submit Audited Financial Statements and/or current tax documents for review. During this review process, additional applications were determined to be ineligible and/or incomplete. Included in this determination were agencies unable to provide requested documents and/or information during the secondary review process.

000227

On January 9, 2009, a total of 107 eligible FY2010 CDBG Applications were provided to the Mayor's Office and each Council District Office for review and consideration of funding. Attachment 1 of that memorandum includes proposed CDBG allocations for the following funding obligations:

Funding Obligations

1. CDBG General Administration*	\$ 1,057,660 (Administrative)
2. Fair Housing*	\$ 314,321 (HUD Requirements)
3. Response to HUD Audits*	\$ 400,000 (Administrative)
4. Grants Compliance Unit Project Mgt.*	\$ 451,308 (Project Management)
5. E&CP (CIP) Project Management*	\$ 450,000 (Project Management)
6. Section 108 Loan Payments	\$ 3,390,790 (prior City Council action)
7. Public Services (15% of Entitlement)*	\$ 2,004,967 (Council Policy 700-02)
8. Housing Commission-Affordable Hsng	\$ 1,277,478 (Council Policy 700-02)
9. <u>ADA Barrier Removal Program</u>	<u>\$ 1,069,316 (20% of Citywide)</u>
Total	\$ 10,415,840

* Details provided below

1. CDBG Administration

CDBG Administration Costs were divided into two categories this year - CDBG Administration and Grants Compliance Project Management. The CDBG Administration represents staff costs for the general administrative oversight of the CDBG Program, ESG Program, HOME Program and HOPWA Program, which includes developing and implementing policies that ensures the City is in compliance with all requirements set forth by HUD. HUD has expressed serious concerns both verbally and in writing that the City has not applied enough resources to administer the program. In the August 30, 2007 On-Site Monitoring Visit Letter Mr. William Vasquez, Director of HUD's Office of Community Planning and Development states: "We are concerned with the City's capacity to manage its CDBG Program, specifically, the lack of sufficient recordkeeping, administrative systems, and particularly staffing levels. The City's current staffing level is minimal for the amount of funds allocated to the City." To address this concern, more money has been allocated to these functions in FY 2010. Administrative activities include preparing program budgets, schedules, amendments and other reports to HUD, evaluating program results against stated objectives, coordinating the resolution of audit and monitoring findings, developing systems for assuring compliance with program requirements per CFR 570, monitoring program and financial activities for progress and compliance with program requirements per CFR 570, developing interagency agreements and ensuring required National Environmental Policy Act (NEPA) review are completed.

2. Fair Housing

In support of continued commitment to improve the City's Fair Housing Program and address HUD's concerns, the proposed budget represents an increase of \$189,321 in comparison to the funds set aside in FY 2009. The approved budget will be split evenly between the three applicants (Bayside Community Center, Center for Social Advocacy, and Fair Housing Council of San Diego) that submitted FY 2010 CDBG Applications for Fair Housing activities.

3. Response to HUD Audits

An amount of \$400,000 has been set aside to be used for further corrective measures due to HUD and OIG audits and monitoring reviews. The types of expenses include coordination with the consultant hired to develop the Management Plan, Monitoring Plan, Fair Housing Plan, Environmental Review Policies and Procedures, Operating Manual for the CDBG Program, and the Citizen Participation Plan. The budget also includes increased staff levels to implement the plans developed, improve internal controls accounting and tracking procedures, and complete any needed Substantial Amendments to the FY 2010 Annual Action Plan.

4. Grants Compliance Project Management

The Grants Compliance Project Management obligation represents staff costs for the contract administration of CDBG and ESG-funded projects, which include Homeless Services and other Public Services projects, Microenterprise Assistance projects, Minor Residential Rehabilitation projects, and Fair Housing projects. Responsibilities include negotiation of scopes and budgets, conducting desk audits of monthly program and fiscal reports, conducting general site visits and conducting monitoring reviews. As mentioned above, to address HUD's concern about the City's staffing levels for the CDBG Program, additional funds have been allocated to the Grant Compliance Unit.

5. Engineering & Capital Projects Department Project Management Charges

Most CDBG funded public improvement projects involving non-profit agencies are managed by the Architectural Engineering and Contracts Division of the Engineering & Capital Projects (E&CP) Department. In accordance with City Council direction during the FY02 CDBG hearings, \$450,000 is recommended to cover project management charges. However, this figure may be revised in future years based on analysis of how these funds are spent. A Memorandum of Understanding will be developed with E&CP as to how the funds will be used as well as the monitoring and reporting responsibilities to the CDBG Program. In addition, costs have been defined as either "direct delivery" or "overhead/administrative" to ensure that funds are used appropriately.

6. Section 108 Loan Payments

Amounts budgeted represent allocations approved through prior City Council actions for the payment of Section 108 Loans.

7. Public Services (formerly Social Services Program)

In accordance with the HUD requirements and Council Policy 700-02, the total award for projects eligible to receive funding under the CDBG Public Services category is limited to 15% of the City's annual CDBG entitlement funds. Historically, recommendations for the allocation of the 15% Public Services activities are presented by the Office of the Mayor as part of the 40% total to be allocated on a Citywide basis per Council Policy 700-02. The selection process developed in FY06 will remain in effect (until otherwise amended by Council Policy) and funds will be allocated accordingly. The CDBG budget for Public Services projects representing a 10% reduction for FY 2010 is \$2,004,967. Additional reductions have been applied

to recommended projects, as a result of a \$200,000 shortfall in San Diego Housing Commission funds for the Cortez Hill Family Center project provided in FY 2009 as a one-time allocation.

8. San Diego Housing Commission

Amounts budgeted represent funding to be allocated toward San Diego Housing Commission' Acquisition of Affordable Housing project. The project will benefit low and moderate income persons/households by acquiring affordable rental housing, improving the quality and extending the durability of existing affordable housing, and expanding housing opportunities for lower income households.

9. American Disabilities Act (ADA)

The Mayor is proposing to set aside 20% of the Citywide budget toward ADA projects to implement the City's ADA Transition Plan and ensure ADA compliance citywide. This includes the architectural barrier removal for access to city-owned facilities.

Proposed Allocations

The City has not yet received confirmation from HUD of the federal entitlement amounts to be awarded to the City for FY 2010. However, HUD has indicated that the City should proceed with an allocation process to meet the existing deadlines. All indications are that Congress will be adopting a continuing resolution for the entire federal fiscal year (October 1, 2009 through September 30, 2010). As such, the FY 2010 CDBG entitlement budget being presented for approval represents an estimated breakdown that includes a 10% reduction from FY 2009. Based on the 10% reduction formula, the City's CDBG entitlement grant amount for FY 2010 totals \$13,366,448 which is a \$1,486,073 reduction from Fiscal Year 2009. Once actual FY 2010 CDBG and ESG Entitlement Funds are confirmed by HUD, a second allocation hearing will be scheduled to incorporate additional increases and/or decreases to the funding levels being presented in this action. As with this action, additional FY 2010 CDBG Entitlement funding considerations will be limited to the 107 eligible FY 2010 CDBG Applications.

In accordance with Council Policy 700-02 "Community Development Block Grant Program", each Councilmember identifies their respective funding priorities in a written memorandum, which is then submitted to the CDBG Office. The Mayor's Office puts forth funding recommendations for discretionary funding in the "Citywide" category and forwards them to the CDBG Office.

Per City Council Policy 700-02 "Community Development Block Grant Program" a formula for allocating the entitlements was created that apportions 60% of the annual CDBG funding discretion to Council Districts, and 40% to the City-wide category under the discretion of the Mayor. The amounts to Districts are based upon the number of low and moderate income residents in each District as a percentage of the whole City.

All FY 2010 CDBG and ESG funding recommendations have been incorporated into a complete list and are included as Attachment 1 of this report. This list will be made available to all CDBG applicants, and put on the City's website for public review prior to the Annual CDBG Appropriation Hearing on February 24, 2009. In addition, a complete list of "requests for

funding” is made available to the public as part of the public noticing requirements for the Fiscal Year 2010 Five-Year Consolidated and Action Plan to be submitted to HUD.

Emergency Shelter Grant (ESG) Funds and San Diego Housing Commission (SDHC) Funds

The City is also required to make recommendations for the ESG Program. For FY 2010, the ESG entitlement funds are recommended by the Mayor’s Office as in prior years. The approval of these funds is incorporated into the same action as the CDBG Program for the first time. In prior years, a companion action item was presented to Council for the Social Services Program. The recommendation for FY 2010 is to continue to allocate the City’s ESG entitlement funds to the City’s Cortez Hill Family Center and the City’s Homeless Emergency Winter Shelter Program. The ESG budget for two of the City’s homeless services projects represents a 10% reduction for FY 2010, which is \$598,129.

In addition, SDHC has committed funds toward the Homeless Emergency Winter Shelter Program (\$380,000) and the Regional Task Force on the Homeless project (\$45,000). Acceptance of these funds for these projects is also being presented to Council for approval.

FISCAL CONSIDERATIONS:

There is no impact to the City’s General Fund from this action. Funding for each project described in this report is available from the Community Development Block Grant Program.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

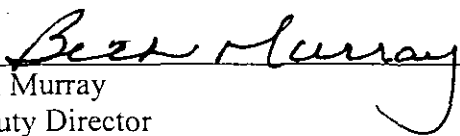
The application to be submitted to HUD for federal entitlement grants (which includes the City’s CDBG and ESG entitlement grants) is referred to as the Five-Year Consolidated Plan. The Five-Year Consolidated Planning process includes a community input process, during which staff presents the draft Plan and requests feedback from community groups representing low and moderate income communities and City residents. The San Diego Housing Commission is coordinating the City’s FY 2010-FY2015 Consolidated Planning process. Four focus group meetings will be conducted on March 10 and March 11, 2009. The FY 2010 CDBG and ESG funding allocations will be presented at the meetings. In addition, the planning process will include presentations to the San Diego Housing Commission Board and the City’s Land Use and Housing Committee for discussion. The approval of the City’s Five-Year Consolidated Plan and FY 2010 Annual Plan is scheduled to be presented to City Council on April 15, 2009. (See Attachment 2 for a Summary Timeline).

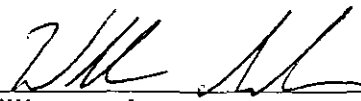
The FY 2010 CDBG and ESG application process was noticed on the City of San Diego’s website, and notices were mailed to the City’s CDBG mailing database which includes names and addresses of over 500 potential applicants. The Availability of Funds was also noticed in the San Diego Union Tribune newspaper and the Daily Transcript.

000231

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Residents of low and moderate income communities; community-based organizations; community planning groups; and other community development organizations.


Beth Murray
Deputy Director
Economic Development Division


William Anderson
Director
City Planning and Community Investment

000233**DOCKET SUPPORTING INFORMATION
CITY OF SAN DIEGO****EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION**

333

02/24

DATE: February 6, 2009

SUBJECT: Fiscal Year 2010 CDBG Program and ESG Program Entitlements Hearing

GENERAL CONTRACT INFORMATION

Recommended Contractor: U.S. Department of Housing
Urban Development

Amount of this Action: \$ 13,366,448 (Estimate of 10% reduction from FY 2009)

Funding Source: City of San Diego

SUBCONTRACTOR PARTICIPATION

There is no identified sub-contractor activity associated with this action.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

Equal Opportunity Required.

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2702) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517)

ADDITIONAL COMMENTS

This action requests authorization for the City Comptroller to accept Emergency Shelter Grant (ESG) funds; Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development for the City's FY2010 CDBG Program.

RLL

000235 REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO		1. CERTIFICATE NUMBER (FOR AUDITOR'S USE) 333					
TO: CITY ATTORNEY		2. FROM (ORIGINATING DEPARTMENT): CITY PLANNING & COMMUNITY INVESTMENT					
		3. DATE: 02/24 2/5/2009					
4. SUBJECT: FISCAL YEAR 2010 CDBG PROGRAM AND ESG PROGRAM ENTITLEMENTS HEARING							
5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.) Angela Nazarenò MS 56D, 236-6424		6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.) Liza Fune MS 56D, 236-6352					
		7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED <input checked="" type="checkbox"/>					
8. COMPLETE FOR ACCOUNTING PURPOSES							
FUND		9. ADDITIONAL INFORMATION / ESTIMATED COST: Contingent upon the final amount of funds available from Housing and Urban Development, there may be an impact to the General Fund from this action. Funding for each program/project is available from the City of San Diego's Community Development Block Grant Entitlement, Emergency Shelter Grant Entitlement, and the San Diego Housing Commission.					
DEPT.							
ORGANIZATION							
OBJECT ACCOUNT							
JOB ORDER							
C.I.P. NUMBER							
AMOUNT							
10. ROUTING AND APPROVALS							
ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	DEPUTY DIRECTOR	BETH MURRAY <i>Beth Murray</i>	2/5/09	8	DEPUTY CHIEF	WILLIAM ANDERSON <i>William Anderson</i>	2-10-09
2	CDBG	ANGELA NAZARENÒ <i>Angela Nazarenò</i>	2/5/09	9	COO	JAY GOLDSTONE <i>Jay Goldstone</i>	2/10/09
3	FM	Julio Canzani <i>Julio Canzani</i>	2/10/09	10	CITY ATTORNEY	PAUL PRATHER <i>Paul Prather</i>	2/10/09
4	AUDITOR	CLAY SCHOEN <i>Clay Schoen</i>	2/6/09	11	ORIG. DEPT	BETH MURRAY <i>Beth Murray</i>	2/10/09
5	ENVIRONMENTAL REVIEW	MARTHA BLAIR <i>Martha Blair</i>	2/6/09	DOCKET COORD: _____ COUNCIL LIAISON <i>John ELP 2/11/09</i> COUNCIL PRESIDENT <i>Vmh</i> <input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION <input type="checkbox"/> REFER TO: _____ COUNCIL DATE: 2-24-09			
6	EOCP	BERYL RAYFORD <i>Beryl Rayford</i>	2/6/09				
7							
11. PREPARATION OF: <input checked="" type="checkbox"/> RESOLUTIONS <input type="checkbox"/> ORDINANCE(S) <input type="checkbox"/> AGREEMENT(S) <input type="checkbox"/> DEED(S)							
See Attachment A.							
<div style="position: absolute; bottom: 10px; right: 10px; font-family: cursive; font-size: 1.2em;"> 2 memos might be swapped for signed versions </div>							
11A. STAFF RECOMMENDATIONS: Adopt the resolutions.							
12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.) COUNCIL DISTRICT(S): CITYWIDE COMMUNITY AREA(S): CITYWIDE ENVIRONMENTAL IMPACT: THIS ACTIVITY IS NOT A "PROJECT" AS DEFINED IN CEQA GUIDELINES SECTION 15378, AND THEREFORE, IS NOT SUBJECT TO CEQA, PURSUANT TO STATE CEQA GUIDELINES SECTION 15060 (C)(3). IN ADDITION, THIS ACTIVITY IS EXEMPT UNDER NEPA, PURSUANT TO 24 CFR PART 58.34(A)(3). HOUSING IMPACT: NONE							

ATTACHMENT A

1. Authorize the City Comptroller to accept Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development for the City's FY 2010 CDBG Program.
2. Authorize the City Comptroller to accept Emergency Shelter Grant (ESG) funds from the U.S. Department of Housing and Urban Development for the City's FY 2010 ESG Program.
3. Approve the funding recommendations for the City's FY 2010 CDBG Program and ESG Program, set forth in Report to the City Council No. _____, a copy of which is on file with the Office of the City Clerk as Document No. RR-_____, contingent upon certification of fund availability by the City Comptroller.
4. Direct that the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding be incorporated into the City's FY 2010 Five-Year Consolidated Plan and Annual Action Plan.
5. Authorize the Mayor or his designee to negotiate and execute agreements, with those agencies for which projects and programs have been approved for CDBG and ESG funding, contingent upon certification of fund availability by the City Comptroller.
6. Authorize the City Comptroller to appropriate and expend the CDBG funds for the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding, contingent upon adoption of the FY 2010 Appropriation Ordinance and contingent upon certification of funds availability by the City Comptroller.
7. Authorize the Mayor or his designee to suspend the initiation of new HUD Section 108 Loans during FY 2010 that rely on CDBG and/or General Funds as a repayment source.
8. Authorize the City Comptroller to accept the funding appropriations from SDHC for the Homeless Emergency Winter Shelter Program and the Regional Taskforce on the Homeless projects, contingent upon approval by the Housing Commission Board and the Housing Authority and contingent upon certification of fund availability by the City Comptroller.

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED:	REPORT NO:
ATTENTION:	Council President and City Council
ORIGINATING DEPARTMENT:	City Planning and Community Investment
SUBJECT:	FY 2010 Community Development Block Grant (CDBG) Program and Emergency Shelter Grant (ESG) Program Entitlements Hearing
COUNCIL DISTRICT(S):	Citywide
CONTACT/PHONE NUMBER:	Angela Nazareno/619-236-6944

REQUESTED ACTIONS:

1. Authorize the City Comptroller to accept Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development for the City's FY 2010 CDBG Program.
2. Authorize the City Comptroller to accept Emergency Shelter Grant (ESG) funds from the U.S. Department of Housing and Urban Development for the City's FY 2010 ESG Program.
3. Approve the funding recommendations for the City's FY 2010 CDBG Program and ESG Program, set forth in Report to the City Council No. _____, a copy of which is on file with the Office of the City Clerk as Document No. RR-_____, contingent upon certification of fund availability by the City Comptroller.
4. Direct that the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding be incorporated into the City's FY 2010 Five-Year Consolidated Plan and Annual Action Plan.
5. Authorize the Mayor or his designee to negotiate and execute agreements, with those agencies for which projects and programs have been approved for CDBG and ESG funding, contingent upon certification of fund availability by the City Comptroller.
6. Authorize the City Comptroller to appropriate and expend the CDBG funds for the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding, contingent upon adoption of the FY 2010 Appropriation Ordinance and contingent upon certification of funds availability by the City Comptroller.
7. Authorize the Mayor or his designee to suspend the initiation of new HUD Section 108 Loans during FY 2010 that rely on CDBG and/or General Funds as a repayment source.
8. Authorize the City Comptroller to accept the funding appropriations from SDHC for the Homeless Emergency Winter Shelter Program and the Regional Taskforce on the Homeless projects, contingent upon approval by the Housing Commission Board and the Housing Authority and contingent upon certification of fund availability by the City Comptroller.

STAFF RECOMMENDATIONS:

Adopt the Requested Actions.

SUMMARY:

The Federal Housing and Community Development Act of 1974 established the Community Development Block Grant (CDBG) Program, which is administered by the Department of Housing and Urban Development (HUD). The City of San Diego (City) has received CDBG Entitlement funds annually since its inception. The overarching goal of the CDBG Program is to develop viable urban communities through the provision of decent housing, suitable living environments, and economic activities for persons of low and moderate income. The City has

not yet received confirmation from HUD of the federal entitlement amounts to be awarded to the City for FY 2010. However, HUD has indicated that the City should proceed with an allocation process to meet the existing deadlines. All indications are that Congress will be adopting a continuing resolution for the entire federal fiscal year (October 1, 2009 through September 30, 2010). As such, the FY 2010 CDBG entitlement budget being presented for approval represents an estimated breakdown that includes a 10% reduction from FY 2009. Based on the 10% reduction formula, the City's CDBG entitlement grant amount for FY 2010 totals \$13,366,448 which is a \$1,486,073 reduction from Fiscal Year 2009. Once actual FY 2010 CDBG and ESG Entitlement Funds are confirmed by HUD, a second allocation hearing will be scheduled to incorporate additional increases and/or decreases to the funding levels being presented in this action. As with this action, additional FY 2010 CDBG Entitlement funding considerations will be limited to the 107 eligible FY 2010 CDBG Applications. In accordance with Council Policy 700-02 "Community Development Block Grant Program", each Councilmember identifies their respective funding priorities in a written memorandum, which is then submitted to the CDBG Office. The Mayor's Office puts forth funding recommendations for discretionary funding in the "Citywide" category and forwards them to the CDBG Office. The City is also required to make recommendations for the ESG Program. For FY 2010, the recommendation is to continue to allocate the City's ESG entitlement funds to the City's Cortez Hill Family Center and the Homeless Emergency Winter Shelter Program. The ESG budget for two of the City's homeless services projects represents a 10% reduction for FY 2010, which is \$598,129. In addition, SDHC has committed funds toward the Homeless Emergency Winter Shelter Program (\$380,000) and the Regional Task Force on the Homeless project (\$45,000). Acceptance of these funds for these projects is also being presented to Council for approval.

FISCAL CONSIDERATIONS:

Funding available from the CDBG and ESG Entitlement Programs.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

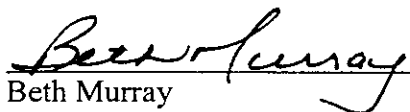
None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The FY 2010 CDBG and ESG application process was noticed on the City of San Diego's website, and notices were mailed to the City's CDBG mailing database which includes names and addresses of over 500 potential applicants. The Availability of Funds was also noticed in the San Diego Union Tribune newspaper and the Daily Transcript.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Residents of low and moderate income communities; community based organizations; community planning groups; and other community development organizations.



Beth Murray
Deputy Director
Economic Development Division



William Anderson
Director
City Planning & Community Investment

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO REGARDING THE FY 2010 COMMUNITY
DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) AND
EMERGENCY SHELTER GRANT PROGRAM (ESG)
ENTITLEMENTS.

WHEREAS, the Housing and Community Development Act of 1974 established the
Community Development Block Grant [CDBG] Program, which is administered by the U.S.
Department of Housing and Urban Development; and

WHEREAS, the City of San Diego (City) has received CDBG Entitlement funds
annually since its inception; and

WHEREAS, the overarching goal of the CDBG Program is to develop viable urban
communities through the provision of decent housing, suitable living environments, and
economic activities for persons of low and moderate income; and

WHEREAS, the City has not yet received confirmation from HUD of the federal
entitlement amounts to be awarded to the City for FY 2010; and

WHEREAS, HUD has indicated that the City should proceed with an allocation process
to meet the existing deadlines; and

WHEREAS, the City's staff has estimated that the City's CDBG entitlement grant for FY
2010 will be \$13,366,448 (which is a \$1,486,073 or 10% reduction from Fiscal Year 2009);

WHEREAS, on February 24, 2009, Report to City Council No. _____ was
provided to the City Council, setting forth a list of funding allocations and recommendations for
the City's FY 2010 CDBG; and

WHEREAS, Report to City Council No. _____ provides that:

- a. the recommendation is to continue to allocate the City's ESG entitlement funds to the City's Cortez Hill Family Center and the Homeless Emergency Winter Shelter Program; and
- b. the ESG budget for two of the homeless services projects represents a 10% reduction for FY 2010, which is \$598,129; and
- c. in addition, SDHC has committed funds toward the Homeless Emergency Winter Shelter Program (\$380,000) and the Regional Task Force on the Homeless project (\$45,000);

NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the City Comptroller is authorized to accept Community Development Block Grant [CDBG] funds from the U.S. Department of Housing and Urban Development for the City's FY 2010 CDBG Program.
2. That the City Comptroller is authorized to accept Emergency Shelter Grant [ESG] funds from the U.S. Department of Housing and Urban Development for the City's FY 2010 ESG Program.
3. That the funding allocations and recommendations for the City's FY 2010 CDBG Program and ESG Program, set forth in Report to the City Council No. _____, a copy of which is on file with the Office of the City Clerk as Document No. RR-_____, are hereby approved contingent upon certification of fund availability by the City Comptroller.
4. That the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding be incorporated into the City's FY 2010 Five-Year Consolidated Plan and Annual Action Plan.

5. That the Mayor or his designee is authorized to negotiate and execute agreements, with those agencies for which projects and programs have been approved for CDBG and ESG funding, contingent upon certification of fund availability by the City Comptroller.

6. That the City Comptroller is authorized to appropriate and expend the CDBG funds for the City's Funding Obligations and those projects and programs approved for CDBG and ESG funding, contingent upon adoption of the FY 2010 Appropriation Ordinance and contingent upon certification of funds availability by the City Comptroller.

7. That the Mayor or his designee is authorized to suspend the initiation of new HUD Section 108 Loans during FY 2010 that rely on CDBG and/or General Funds as a repayment source.

8. That the City Comptroller is authorized to accept the funding appropriations from SDHC for the Homeless Emergency Winter Shelter Program and the Regional Taskforce on the Homeless projects, contingent upon approval by the Housing Commission Board and the Housing Authority and contingent upon certification of fund availability by the City Comptroller.

APPROVED: JAN I. GOLDSMITH, City Attorney

By



Paul F. Prather
Deputy City Attorney

PFP:als
02/12/09
Or.Dept:Econ.&Dev't
R-2009-864

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor